

Fund name reference table

This table is included to assist you in locating the funds you have invested in. This will enable you to match the name as shown in your annual statement or information folder and the legal name of the fund as shown in these financial statements.

Common name

Legal name

Funds managed by Portfolio Solutions Group, a division of Canada Life Investment Management Ltd.

Asset allocation funds

Advanced Allocation
Aggressive Allocation
Balanced Allocation
Conservative Allocation
Diversified Fixed Income Allocation
Moderate Allocation

Advanced Allocation Fund S-629
Aggressive Allocation Fund S-630
Balanced Allocation Fund S-628
Conservative Allocation Fund S-626
Diversified Fixed Income Fund (PSG) SF824
Moderate Allocation Fund S-627

Income allocation funds

Income Focus
Income Growth
Income Growth Plus

Income Focus Fund SF631
Income Growth Fund SF632
Income Growth Plus Fund SF633

Managed fund solutions

Balanced Income
Core Balanced
Core Balanced Growth Plus
Core Conservative Growth
Core Moderate
Core Moderate Growth Plus
Fidelity Balanced
Fidelity Moderate Growth Plus
Fidelity Moderate Income
Franklin Templeton Balanced Income
Franklin Templeton Moderate Growth
Franklin Templeton Moderate Income
Index ETF Balanced Portfolio
Index ETF Conservative Portfolio
Index ETF Growth Portfolio
Mackenzie Balanced
Mackenzie Balanced Income
Mackenzie Moderate Growth
Mackenzie Moderate Income

Balanced Income Fund (CI) SF800
Core Balanced Fund SF801
Core Balanced Growth Plus Fund SF802
Core Conservative Growth Fund SF803
Core Moderate Fund SF804
Core Moderate Growth Plus Fund SF805
Balanced Fund (Fidelity) SF806
Moderate Growth Plus Fund (Fidelity) SF807
Moderate Income Fund (Fidelity) SF808
Balanced Income Fund (Franklin Templeton) SF809
Moderate Growth Fund (Franklin Templeton) SF810
Moderate Income Fund (Franklin Templeton) SF811
Index ETF Balanced Portfolio Fund 2.00PSG
Index ETF Conservative Portfolio Fund 1.99PSG
Index ETF Growth Portfolio Fund 2.01PSG
Balanced Fund (Mackenzie) SF812
Balanced Income Fund (Mackenzie) SF813
Moderate Growth Fund (Mackenzie) SF814
Moderate Income Fund (Mackenzie) SF815

Funds managed by The Canada Life Assurance Company

Long Term Bond
Real Return Bond

Long Term Bond Fund (PIM) SF818
Real Return Bond Fund (PIM) SF820

Funds managed by Canada Life Investment Management Ltd.

Canadian Concentrated Equity
Canadian Core Plus Bond
Canadian Dividend
Canadian Focused Growth
Canadian Focused Growth II
Canadian Growth
Diversified Real Assets
Emerging Markets Concentrated Equity
Emerging Markets Large Cap Equity
ESG U.S. Equity
Floating Rate Income
Foreign Equity
Global Balanced
Global Core Plus Bond
Global Growth Opportunities
Global Multi-Sector Bond
Global Resources
Global Small-Mid Cap Growth
Global Tactical
International Concentrated Equity
International Equity II

Pathways Canadian Concentrated Equity Fund (Galibier) SF544
Pathways Core Plus Bond Fund (Mackenzie) SF540
Dividend Fund (Mackenzie) SF565
Canadian Equity Growth Fund S-102MF
Harbour Canadian Fund (CI) SF175
Pathways Canadian Equity Fund (GWLIM) SF543
Canada Life Diversified Real Assets Fund 2.40CS
Pathways Emerging Markets Equity Fund (Northcape) SF550
Pathways Emerging Markets Large Cap Equity Fund (Mackenzie) SF549
ESG U.S. Equity Fund 2.37JPM
Floating Rate Income Fund (MF) SF526
Ivy Foreign Equity Fund (Mackenzie) SF564
Global Balanced Fund (Mackenzie) SF513
Pathways Global Core Plus Bond Fund (Mackenzie) SF541
Global Future Fund S-183MF
Pathways Global Multi Sector Bond Fund (Brandywine) SF542
Canadian Resource Fund S-348MF
Global Small-Mid Cap Growth Fund 2.39MI
Pathways Global Tactical Fund (ILIM) SF551
Pathways International Concentrated Equity Fund (C WorldWide) SF548
International Equity Fund (CI) SF182

Common name**Legal name****Funds managed by Canada Life Investment Management Ltd.**

International Value
Strategic Income
Sustainable Balanced Portfolio
Sustainable Conservative Portfolio
Sustainable Emerging Markets Equity
Sustainable Global Equity
Sustainable Growth Portfolio
U.S. All Cap Growth
U.S. Concentrated Equity
U.S. Value

Pathways International Equity Fund (Setanta) SF547
Maxxum Canadian Balanced Fund (Mackenzie) SF519
Balanced Fund (Bissett) SF104
Canadian Growth & Income Fund (AGF) SF249
Sustainable Emerging Markets Equity Fund 2.36JPM
Sustainable Global Equity Fund 2.35JPM
Harbour Growth & Income Fund (CI) SF190
U.S. Growth Leaders Fund S-286MF
Pathways U.S. Concentrated Equity Fund (Aristotle) SF546
Pathways U.S. Equity Fund (Putnam) SF545

Funds managed by GWL Realty Advisors Inc.

Real Estate

Real Estate Fund (GWLRA) SF353

Funds managed by AGF Investments Inc.

American Growth
Canadian Small Cap Growth

American Growth Fund (AGF) SF247
Canadian Equity Fund (AGF) SF101

Funds managed by Beutel, Goodman & Company Ltd.

American Value
Canadian Focused Value
Canadian Value Balanced
Global Founders
Global Value Balanced

American Equity Fund (BG) SF562
Canadian Equity Fund (BG) SF553
Balanced Fund (BG) SF552
Global Founders Fund 1.00BG
Global Value Balanced Fund 1.01BG

Funds managed by Canada Life Asset Management Limited

Far East Equity
International Bond

International Bond Fund (Laketon) SF036
Far East Equity Fund S-038MF

Funds managed by Capital Group

Global Equity

Global Equity Fund 1.08CG

Funds managed by Cranston, Gaskin, O'Reilly & Vernon

Canadian Focused Value Stock

Canadian Equity Fund (Trimark) SF052

Funds managed by Fidelity Investments Canada ULC

Fidelity American Disciplined Equity®
Fidelity Global Balanced Portfolio
Fidelity Global Equity
Fidelity Global Income Portfolio
Fidelity NorthStar®
Fidelity NorthStar® Balanced
Fidelity True North®

American Disciplined Equity Fund (Fidelity) SF356
Global Balanced Portfolio Fund 1.04FID
International Portfolio Fund (Fidelity) SF184
Global Income Portfolio Fund 1.03FID
Northstar Fund (Fidelity) SF355
Canadian Asset Allocation Fund (Fidelity) SF191
True North Fund (Fidelity) SF176

Funds managed by Franklin Templeton Investments Corp.

Canadian Small Cap
Canadian Stock
EAFE Stock

Small Cap Equity Fund (Bissett) SF105
Canadian Equity Fund (Bissett) SF103
International Equity Fund (Templeton) SF118

Funds managed by Invesco Canada Ltd.

All World Equity
Canadian Focused Premier Growth
Canadian Premier Balanced

Global Equity Fund (Trimark) SF051
Canadian Growth Fund (AIM) SF289
Balanced Fund (Trimark) SF054

Funds managed by Irish Life Investment Managers Limited (ILIM)

Global Low Volatility
Risk-Managed Balanced Portfolio
Risk-Managed Conservative Income Portfolio
Risk-Managed Growth Portfolio

Global Low Vol Fund (ILIM) SF561
Risk-Managed Balanced Portfolio Fund 1.22IL
Risk-Managed Conservative Income Portfolio Fund 1.21IL
Risk-Managed Growth Portfolio Fund 1.23IL

Funds managed by J.P. Morgan Asset Management

International Equity
International Growth

International Equity Fund (JPM) SF555
International Opportunity Fund (JPM) SF556

Common name**Legal name****Funds managed by Mackenzie Investments**

Canadian All Cap Equity
Canadian Core Bond
Canadian Core Dividend
Canadian Core Plus Bond II
Canadian Corporate Bond
Canadian Equity
Canadian Equity Value
Canadian Equity Value II
Canadian Fixed Income Balanced
Canadian Fixed Income Balanced II
Canadian Focused Dividend
Canadian Growth Balanced
Canadian Growth Balanced II
Canadian Low Volatility
Canadian Small-Mid Cap
Canadian Stock Balanced
Canadian Tactical Bond
Emerging Markets Equity
Global Growth Opportunities Balanced
Global Infrastructure
Global Strategic Income
Global Value Stock
Government Bond
Money Market
North American High Yield Fixed Income
Science and Technology
Short-Term Bond
Strategic Income II
Strategic Income III
Strategic Income IV
U.S. Dividend
U.S. Growth
U.S. Mid Cap Growth
U.S. Value Stock
Unconstrained Fixed Income

Canadian Equity Fund (Howson Tattersall) SF177
Core Bond Fund (PIM) SF531
Enhanced Dividend Fund (Laketon) SF039
Fixed Income Fund (Laketon) SF019
Corporate Bond Fund (PIM) SF817
Canadian Equity Fund (Laketon) SF009
Canadian Equity Fund S-285LL
Canadian Equity Value Fund S-347C
Income Opportunity Fund (LLIM) SF354
Sentinel Income Fund (Mackenzie) SF521
Dividend Fund S-189LL
Equity/Bond Fund (GLC) SF825
Saxon Balanced Fund (Mackenzie) SF520
Canadian Low Vol Equity Fund (LC) SF554
Mid Cap Canada Fund S-346G
Ivy Canadian Balanced Fund (Mackenzie) SF563
Tactical Bond Fund (PIM) SF558
Emerging Markets Fund (Mackenzie) SF532
Global Growth Balanced Fund 1.02MAC
Global Infrastructure Equity Fund (London Capital) SF515
Global Monthly Income Fund (L) SF822
Global Value Fund (Mackenzie) SF514
Government Bond Fund S-167G
Money Market Fund (Laketon) SF029
North American High Yield Bond Fund (MF) SF819
Science & Technology Fund (LC) SF557
Short Term Bond Fund (PIM) SF816
Managed Fund (Laketon) SF035
Diversified Fund (GLC) SF823
Monthly Income Fund (L) SF821
U.S. Dividend Fund (GWLIM) SF522
U.S. Equity Fund (LC) SF559
U.S. Mid Cap Equity Fund (LC) SF560
U.S. Value Fund S-178LL
Global Unconstrained Fund (Mackenzie) SF530

Funds managed by Putnam Investments Canada ULC

EAFE Equity
U.S. Low Volatility

International Equity Fund (P) SF529
U.S. Low Volatility Fund (P) SF527

Funds managed by Setanta Asset Management Limited

European Equity
Global All Cap Equity
Global Dividend

European Equity Fund S-037ST
Global Equity Fund SF034
Global Dividend Fund (SAM) SF528

Funds managed by TD Asset Management Inc.

Canadian Neutral Balanced
Indexed Canadian Bond

Balanced Fund (Greystone) SF208
Indexed Canadian Bond Fund (TDQC) SF079

Funds managed by T Rowe Price (Canada), Inc.

Global Growth Balanced
Global Growth Equity
Global Multi-Sector Fixed Income

Global Growth Balanced Fund 1.05TRP
Global Growth Equity Fund 1.07TRP
Global Multi-Sector Bond Fund 1.06TRP

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
CANADIAN EQUITY FUND (LAKETON) SF009

December 31, 2023

Independent Auditor's Report

To the Contractholders of Canadian Equity Fund (Laketon) SF009 (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

Canadian Equity Fund (Laketon) SF009

(in Canadian \$ thousands)

Fund Manager: Mackenzie Investments

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ 774	\$ 6,655
Investment income due and accrued	336	432
Due from The Canada Life Assurance Company (note 7)	—	68
Due from brokers	893	—
Due from outside parties	—	—
Investments		
Bonds	—	—
Stocks	210,089	189,635
Investment fund units	—	—
Total investments	210,089	189,635
Total assets	\$ 212,092	\$ 196,790
Liabilities		
Overdrafts	\$ —	\$ —
Due to The Canada Life Assurance Company (note 7)	64	—
Due to brokers	—	—
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	64	—
Net assets attributable to contractholders	\$ 212,028	\$ 196,790

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 21,378	\$ (9,770)
Miscellaneous income (loss)	333	25
Total income (loss)	21,711	(9,745)
Expenses		
Management fees (note 7)	2,219	2,318
Transaction costs	136	67
Withholding taxes	12	9
Other	212	220
Total expenses	2,579	2,614
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 19,132	\$ (12,359)

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year	\$ 196,790	\$ 206,038
Contractholder deposits	12,645	18,734
Contractholder withdrawals	(16,539)	(15,623)
Increase (decrease) in net assets from operations attributable to contractholders	19,132	(12,359)
Change in net assets attributable to contractholders	15,238	(9,248)
Net assets attributable to contractholders - end of year	\$ 212,028	\$ 196,790

Canadian Equity Fund (Laketon) SF009

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 19,132	\$ (12,359)
Adjustments		
Realized (gains) losses	(12,741)	(8,884)
Unrealized (gains) losses	(2,640)	24,057
Gross proceeds of disposition of investments	142,203	53,395
Gross payments for the purchase of investments	(147,276)	(54,958)
Change in investment income due and accrued	96	(36)
Change in due from/to The Canada Life Assurance Company	132	(112)
Change in due from/to brokers	(893)	—
Change in due from/to outside parties	—	—
	<u>(1,987)</u>	<u>1,103</u>
Financing Activities		
Contractholder deposits	12,645	18,734
Contractholder withdrawals	(16,539)	(15,623)
	<u>(3,894)</u>	<u>3,111</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	(5,881)	4,214
Cash, short-term deposits and overdrafts, beginning of year	6,655	2,441
Cash, short-term deposits and overdrafts, end of year	\$ 774	\$ 6,655
Supplementary cash flow information		
Dividend income received	\$ 5,936	\$ 5,289

Canadian Equity Fund (Laketon) SF009

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or <u>Par Value</u>	Average <u>Cost</u>	Fair <u>Value</u>
Canadian Common Stock			
Communication Services			
Rogers Communications Inc. Class B non-voting	51,981	3,514	3,224
TELUS Corp.	83,790	2,296	1,976
Consumer Discretionary			
Aritzia Inc.	27,383	674	753
BRP Inc.	9,648	1,056	915
Dollarama Inc.	39,798	1,810	3,800
Pet Valu Holdings Ltd.	33,072	1,018	952
Consumer Staples			
Alimentation Couche-Tard Inc.	69,893	4,592	5,454
Loblaw Companies Ltd.	34,486	4,072	4,424
Energy			
AltaGas Ltd.	110,809	2,752	3,083
ARC Resources Ltd.	194,278	3,699	3,821
Canadian Natural Resources Ltd.	98,602	4,044	8,560
Cenovus Energy Inc.	144,695	2,381	3,195
Enbridge Inc.	109,766	5,181	5,236
Pembina Pipeline Corp.	79,322	3,281	3,619
Tourmaline Oil Corp.	60,424	4,348	3,601
Financials			
Bank of Montreal	79,085	10,086	10,369
Brookfield Corp.	101,537	3,974	5,397
Fairfax Financial Holdings Ltd. sub. voting	3,332	3,710	4,073
iA Financial Corp. Inc.	27,970	2,544	2,527
Intact Financial Corp.	25,500	4,967	5,198
National Bank of Canada	37,622	3,710	3,800
Royal Bank of Canada	121,011	10,299	16,214
Sun Life Financial Inc.	29,018	1,499	1,994
The Toronto-Dominion Bank	163,530	10,294	14,000
Thomson Reuters Corp.	10,276	1,789	1,991
TMX Group Ltd.	50,992	1,474	1,634
Industrials			
Boyd Group Services Inc.	11,852	2,947	3,301

Canadian Equity Fund (Laketon) SF009

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or <u>Par Value</u>	Average <u>Cost</u>	Fair <u>Value</u>
Canadian Common Stock (continued)			
Industrials (continued)			
Canadian National Railway Co.	38,231	5,530	6,367
Canadian Pacific Kansas City Ltd.	75,989	5,971	7,967
Finning International Inc.	23,270	995	892
RB Global Inc.	17,659	1,407	1,566
Stantec Inc.	25,525	2,244	2,715
TFI International Inc.	8,284	1,224	1,493
Toromont Industries Ltd.	12,325	1,339	1,431
Waste Connections Inc.	20,120	1,914	3,981
WSP Global Inc.	13,134	2,275	2,440
Information Technology			
CGI Group Inc. Class A sub. voting	30,268	4,226	4,297
Constellation Software Inc.	1,964	2,672	6,452
Kinaxis Inc.	6,671	1,123	992
Shopify Inc.	63,013	6,857	6,500
The Descartes Systems Group Inc.	13,772	1,475	1,533
Materials			
Agnico Eagle Mines Ltd.	44,806	3,327	3,255
CCL Industries Inc. Class B non-voting	25,929	1,662	1,545
Franco-Nevada Corp.	17,760	2,706	2,607
Nutrien Ltd.	35,030	3,117	2,615
Stella-Jones Inc.	17,948	1,171	1,384
Teck Resources Ltd. Class B	75,658	3,968	4,238
Wheaton Precious Metals Corp.	51,495	2,941	3,366
Real Estate			
Canadian Apartment Properties REIT	44,247	2,123	2,159
Colliers International Group Inc.	12,566	1,737	2,106
FirstService Corp.	9,935	2,093	2,133
Utilities			
Fortis Inc.	27,144	1,492	1,480
Total Canadian Common Stock		167,600	198,625

Canadian Equity Fund (Laketon) SF009

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	<u>No. of Units, Shares or Par Value</u>	<u>Average Cost</u>	<u>Fair Value</u>
United States Common Stock			
Consumer Discretionary			
AutoZone Inc.	605	2,021	2,073
Information Technology			
Mastercard Inc. Class A	3,968	1,758	2,242
Visa Inc. Class A	6,539	2,066	2,256
Real Estate			
Equinix Inc. REIT	1,379	1,425	1,472
Total United States Common Stock		7,270	8,043
Global Common Stock			
Bermuda			
Brookfield Infrastructure Partners LP Partnership Units	81,913	3,025	3,421
Total Global Common Stock		3,025	3,421
Total Stocks		177,895	210,089
Transaction Costs (note 2)		(92)	
Total Investments		177,803	210,089

Canadian Equity Fund (Laketon) SF009

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

Introduction

The objective of the Canadian Equity Fund (Laketon) SF009 (the Fund) in managing risk is the creation and protection of contractholder value. Risk is inherent in the Fund's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. The process of risk management is critical to the Fund's continuing profitability. The Fund can be exposed to liquidity risk, market risk (which includes currency risk, interest rate risk and other price risk) and credit risk arising from the financial instruments it holds.

A. Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023, and groups the securities by asset type, geographic region and/or market segment. The following sections describe the significant risks that are relevant to the Fund.

To assist with managing risk, The Canada Life Assurance Company (Canada Life or the Company) maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and other regulations.

B. Liquidity Risk

Liquidity risk arises when a fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units by contractholders. The Fund retains sufficient cash and cash equivalent positions to maintain adequate liquidity to meet the obligation to fund daily cash redemptions of their redeemable units.

Some securities are illiquid due to legal restrictions on their resale, the nature of the investment, or simply a lack of interested buyers for a particular security or security type. Certain securities may become less liquid due to changes in market conditions, such as interest rate changes or market volatility, which could impair the ability of a fund to sell such securities quickly.

In accordance with the Fund's policy, the Company monitors the Fund's liquidity positions on a regular basis.

C. Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The classifications used on the Schedule of Investment Portfolio for the financial instruments are based on the country of issue.

Canadian Equity Fund (Laketon) SF009

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

C. Currency Risk (continued)

The table below indicates the foreign currencies to which the Fund had significant exposure as at December 31, 2023 in Canadian dollar terms, including the underlying principal amount of forward currency contracts, if any. The table also illustrates the potential impact to the Fund's net assets attributable to contractholders, all other variables held constant, as a result of a 1% change in these currencies relative to the Canadian dollar. In practice, the actual results may differ from this sensitivity analysis and the difference could be significant.

2023

Currency	Investments	Cash, Short-term Deposits and Overdrafts	Total*	Impact on Net Assets Attributable to Contractholders
United States Dollar	\$ 8,043	\$ 50	\$ 8,093	\$ 81
Total	\$ 8,043	\$ 50	\$ 8,093	\$ 81
As Percent of Net Assets Attributable to Contractholders			3.8%	—%

*Includes both monetary and non-monetary instruments

2022

Currency	Investments	Cash, Short-term Deposits and Overdrafts	Total*	Impact on Net Assets Attributable to Contractholders
United States Dollar	\$ 10,098	\$ 27	\$ 10,125	\$ 101
Total	\$ 10,098	\$ 27	\$ 10,125	\$ 101
As Percent of Net Assets Attributable to Contractholders			5.1%	0.1%

*Includes both monetary and non-monetary instruments

D. Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. The Fund Manager moderates this risk through careful selection of securities and other financial instruments within the parameters of the investment strategy. The maximum risk resulting from financial instruments is equivalent to their fair value.

For the Fund, the most significant exposure to other price risk arises from its investment in equity securities. As at December 31, 2023, had the prices on the respective stock exchanges for these securities increased or decreased by 1%, with all other variables held constant, assets would have increased (or decreased) by approximately \$2,101 (\$1,896 at December 31, 2022) or approximately 1.0% (1.0% at December 31, 2022) of total net assets attributable to contractholders. In practice, the actual results may differ and the difference could be significant.

Canadian Equity Fund (Laketon) SF009

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

E. Fair Value Classification

The following table presents information about the Fund's assets measured at fair value on a recurring basis and indicates the fair value hierarchy of the valuation techniques utilized by the Fund to determine such fair value:

<u>Assets measured at fair value</u>	2023			
	Assets Measured at Fair Value			
	Level 1	Level 2	Level 3	Total
Stocks	\$ 210,089	\$ —	\$ —	\$ 210,089
Total assets measured at fair value	\$ 210,089	\$ —	\$ —	\$ 210,089

<u>Assets measured at fair value</u>	2022			
	Assets Measured at Fair Value			
	Level 1	Level 2	Level 3	Total
Stocks	\$ 189,635	\$ —	\$ —	\$ 189,635
Total assets measured at fair value	\$ 189,635	\$ —	\$ —	\$ 189,635

There were no significant transfers between Level 1 and Level 2 during 2023 or 2022.

Canadian Equity Fund (Laketon) SF009

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance. Portfolio units are allocated to each category as described in note 3 and are not included on this page.

Net Assets Attributable to Contractholders by Category

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
Flex	83,517	93,672	102,825	116,494	132,012	41,660	43,301	51,452	48,472	53,519
Generations/Mosaic	562,245	650,606	715,343	826,201	970,585	16,671	17,876	21,275	20,432	23,387
Generations I	84,305	97,964	110,298	113,392	148,447	1,735	1,869	2,277	1,947	2,483
Generations II	65,241	76,057	81,013	98,629	106,540	1,027	1,113	1,288	1,308	1,381
Generations Core	40,932	45,467	51,578	65,078	71,992	697	716	877	918	987
75/75 guarantee policy	223,822	193,671	131,005	121,064	65,222	4,486	3,589	2,622	2,010	1,053
75/100 guarantee policy	506,276	469,813	370,645	305,278	257,869	9,898	8,512	7,269	4,978	4,097
100/100 guarantee policy	32,074	25,478	29,060	37,951	49,433	599	442	548	597	760
PS1 75/75 guarantee policy	128,735	105,531	91,095	91,397	47,267	2,755	2,079	1,929	1,599	800
PS1 75/100 guarantee policy	306,628	297,218	197,544	107,776	68,897	6,408	5,730	4,104	1,853	1,149
PS1 100/100 guarantee policy	37,011	47,514	36,859	35,295	34,477	743	883	741	589	560
PS2 75/75 guarantee policy	47,933	48,406	44,475	40,103	46,143	1,326	1,206	1,166	849	925
PS2 75/100 guarantee policy	19,361	21,593	29,543	17,147	6,205	535	537	773	363	124
PS2 100/100 guarantee policy	729	745	761	778	797	20	19	20	16	16
PS 75/75 guarantee policy	8,219	8,303	1,670	1,496	1,369	113	105	23	17	15
PS 75/100 guarantee policy	16,067	14,775	11,524	9,529	4,207	219	185	154	105	45
PPS 75/75 guarantee policy	6,412	6,449	—	—	—	91	83	—	—	—
PPS 75/100 guarantee policy	14,818	24,820	481	17,211	19,312	207	316	7	191	206
PPS 100/100 guarantee policy	5,183	5,230	—	—	—	71	66	—	—	—

Net Assets Attributable to Contractholders Per Unit (note 6)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
Flex	498.83	463.12	501.31	416.85	406.16	35.71	(38.19)
Generations/Mosaic	29.65	27.48	29.74	24.73	24.10	2.17	(2.26)
Generations I	20.58	19.07	20.65	17.17	16.73	1.51	(1.58)
Generations II	15.74	14.64	15.90	13.26	12.96	1.10	(1.26)
Generations Core	17.02	15.74	17.00	14.10	13.71	1.28	(1.26)
75/75 guarantee policy	20.04	18.53	20.01	16.61	16.15	1.51	(1.48)
75/100 guarantee policy	19.55	18.12	19.61	16.31	15.89	1.43	(1.49)
100/100 guarantee policy	18.68	17.37	18.86	15.73	15.38	1.31	(1.49)
PS1 75/75 guarantee policy	21.40	19.70	21.18	17.49	16.93	1.70	(1.48)
PS1 75/100 guarantee policy	20.90	19.28	20.77	17.20	16.68	1.62	(1.49)
PS1 100/100 guarantee policy	20.08	18.59	20.09	16.69	16.24	1.49	(1.50)
PS2 75/75 guarantee policy	27.67	24.91	26.21	21.18	20.05	2.76	(1.30)
PS2 75/100 guarantee policy	27.63	24.88	26.17	21.15	20.03	2.75	(1.29)
PS2 100/100 guarantee policy	27.60	24.85	26.15	21.13	20.01	2.75	(1.30)
PS 75/75 guarantee policy	13.79	12.61	13.47	11.06	10.64	1.18	(0.86)
PS 75/100 guarantee policy	13.63	12.49	13.38	11.00	10.60	1.14	(0.89)
PPS 75/75 guarantee policy	14.14	12.88	—	—	—	1.26	(0.81)
PPS 75/100 guarantee policy	13.97	12.75	13.59	11.12	10.67	1.22	(0.84)
PPS 100/100 guarantee policy	13.72	12.56	—	—	—	1.16	(0.87)

Canadian Equity Fund (Laketon) SF009

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Fund is offered by The Canada Life Assurance Company.

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

Canadian Equity Fund (Laketon) SF009

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

Canadian Equity Fund (Laketon) SF009

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in fair value measurements in the notes to the Schedule of Investment Portfolio.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

Canadian Equity Fund (Laketon) SF009

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Stocks

Stocks are recorded at fair value determined with reference to closing quoted market prices, where the last traded price falls within the day's bid-ask spread, primarily provided by third party independent pricing sources. Fair values are determined on the basis of the closing price for a security on the recognized exchange on which it is principally traded at each reporting date. In circumstances where the last traded price is not within the bid-ask spread, the Company determines the point when the bid-ask spread that is most representative of fair value based on the specific facts and circumstances.

The fair value of unlisted securities is established using quotations determined by a major dealer in a particular security. Should the quoted value for a security, in the opinion of the Fund Manager, be inaccurate, unreliable, or not readily available, the value of the security is estimated using valuation techniques. Valuation techniques include the market approach (using recent arm's-length market transactions adjusted as necessary and reference to the current market value of another instrument that is substantially the same) and the income approach (discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible).

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

Dividend income - accrued as of the ex-dividend date and recorded on the accrual basis.

Canadian Equity Fund (Laketon) SF009

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

Miscellaneous income (loss)

Miscellaneous income (loss) generally includes the changes in foreign exchange rates between trade and settlement dates, foreign exchange rates on bank balances, securities lending income, derivative income, and management fee rebates.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

Canadian Equity Fund (Laketon) SF009

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

k) Income Allocation

Net gain (loss) on investments, which includes dividend income, realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the net asset value (NAV) per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

m) Transaction Costs

Transaction costs, such as brokerage commissions, incurred in the purchase and sale of securities by the Fund are charged to expenses in the year.

Canadian Equity Fund (Laketon) SF009

Notes to the Financial Statements

(in Canadian \$ thousands)

3. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Emperor,
- Flex,
- Generations/Mosaic,
- Generations I,
- Generations II,
- Generations Core,
- Prestige/Prestige Plus, and
- Private Collections.

In addition to the Individual units, units are available for:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

Portfolio units are those units owned by the Asset Allocation Funds. Each Portfolio fund is represented by a separate category.

The categories of units, and the various levels within each, are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

Canadian Equity Fund (Laketon) SF009

Notes to the Financial Statements

(in Canadian \$ thousands)

4. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

5. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

6. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

Canadian Equity Fund (Laketon) SF009

Notes to the Financial Statements

(in Canadian \$ thousands)

7. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.
- c) The Fund invests in assets or underlying funds managed by Mackenzie Financial Corporation, which operates as Mackenzie Investments. All investment transactions with the corresponding underlying funds are at quoted market prices.

Canadian Equity Fund (Laketon) SF009

Supplemental Information *(unaudited)*

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾

For the years ended December 31	2023	2022	2021	2020	2019
Flex	2.86	2.86	2.86	2.86	2.87
Generations/Mosaic	2.86	2.86	2.86	2.86	2.87
Generations I	2.86	2.86	2.86	2.86	2.87
Generations II	3.19	3.19	3.19	3.19	3.20
Generations Core	2.64	2.64	2.64	2.64	2.64
75/75 guarantee policy	2.64	2.63	2.64	2.63	2.64
75/100 guarantee policy	2.86	2.85	2.85	2.86	2.86
100/100 guarantee policy	3.19	3.19	3.19	3.19	3.19
PS1 75/75 guarantee policy	2.19	2.18	2.19	2.18	2.17
PS1 75/100 guarantee policy	2.40	2.40	2.39	2.40	2.41
PS1 100/100 guarantee policy	2.73	2.73	2.73	2.73	2.74
PS 75/75 guarantee policy	1.55	1.53	1.55	1.55	1.55
PS 75/100 guarantee policy	1.77	1.76	1.76	1.76	1.77
PPS 75/75 guarantee policy	1.09	1.10	—	—	—
PPS 75/100 guarantee policy	1.31	1.31	1.31	1.31	1.30
PPS 100/100 guarantee policy	1.64	1.64	—	—	—

Portfolio Turnover Rate (%) ⁽²⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	70.87	27.27	28.22	53.95	23.12

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
FIXED INCOME FUND (LAKETON) SF019

December 31, 2023

Independent Auditor's Report

To the Contractholders of Fixed Income Fund (Laketon) SF019 (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

Fixed Income Fund (Laketon) SF019

(in Canadian \$ thousands)

Fund Manager: Mackenzie Investments

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ 7,496	\$ 6,483
Investment income due and accrued	1,738	1,729
Due from The Canada Life Assurance Company (note 8)	—	—
Due from brokers	—	—
Due from outside parties	—	—
Investments		
Bonds	238,759	240,890
Stocks	8,096	11,971
Investment fund units	—	—
Derivatives (note 7)	794	167
Total investments	247,649	253,028
Total assets	\$ 256,883	\$ 261,240
Liabilities		
Overdrafts	\$ —	\$ —
Due to The Canada Life Assurance Company (note 8)	81	75
Due to brokers	122	—
Due to outside parties	—	—
Derivatives (note 7)	252	894
Total liabilities excluding net assets attributable to contractholders	455	969
Net assets attributable to contractholders	\$ 256,428	\$ 260,271

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 16,466	\$ (34,464)
Miscellaneous income (loss)	318	333
Total income (loss)	16,784	(34,131)
Expenses		
Management fees (note 8)	817	981
Transaction costs	1	9
Withholding taxes	1	1
Other	86	162
Total expenses	905	1,153
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 15,879	\$ (35,284)

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year	\$ 260,271	\$ 302,372
Contractholder deposits	18,357	30,267
Contractholder withdrawals	(38,079)	(37,084)
Increase (decrease) in net assets from operations attributable to contractholders	15,879	(35,284)
Change in net assets attributable to contractholders	(3,843)	(42,101)
Net assets attributable to contractholders - end of year	\$ 256,428	\$ 260,271

Fixed Income Fund (Laketon) SF019

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 15,879	\$ (35,284)
Adjustments		
Add back amortization of premium (discount)	(391)	(107)
Realized (gains) losses	9,509	17,118
Unrealized (gains) losses	(16,239)	25,880
Gross proceeds of disposition of investments	192,734	265,683
Gross payments for the purchase of investments	(180,876)	(276,693)
Change in investment income due and accrued	(9)	(347)
Change in due from/to The Canada Life Assurance Company	6	44
Change in due from/to brokers	122	—
Change in due from/to outside parties	—	—
	<u>20,735</u>	<u>(3,706)</u>
Financing Activities		
Contractholder deposits	18,357	30,267
Contractholder withdrawals	(38,079)	(37,084)
	<u>(19,722)</u>	<u>(6,817)</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	1,013	(10,523)
Cash, short-term deposits and overdrafts, beginning of year	6,483	17,006
Cash, short-term deposits and overdrafts, end of year	\$ 7,496	\$ 6,483
Supplementary cash flow information		
Interest income received	\$ 8,337	\$ 7,085
Dividend income received	443	889

Fixed Income Fund (Laketon) SF019

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or Par Value	Average Cost	Fair Value
Canadian Bonds			
Federal Government			
Canada Housing Trust No. 1 2.90% 06-15-2024	1,396,000	1,379	1,383
CPPIB Capital Inc. 2.25% 12-01-2031	1,042,000	937	939
CPPIB Capital Inc. 3.95% 06-02-2032	1,198,000	1,193	1,217
Government of Canada 0.25% 12-01-2054 Real Return	621,000	445	518
Government of Canada 0.50% 12-01-2050 Real Return	3,091,000	3,561	3,016
Government of Canada 1.75% 12-01-2053	3,406,000	2,170	2,560
Government of Canada 2.75% 06-01-2033	11,296,000	10,700	10,978
Total Federal Government		20,385	20,611
Provincial Government			
Hydro-Quebec 4.00% 02-15-2055	903,000	1,273	915
Ontario Power Generation Inc. 1.17% 04-22-2026	113,000	101	105
Ontario Power Generation Inc. 2.977% 09-13-2029	485,000	441	457
Ontario Power Generation Inc. 3.215% 04-08-2030	1,696,000	1,808	1,602
Ontario Power Generation Inc. 4.922% 07-19-2032	106,000	106	110
Ontario Teachers' Finance Trust 1.10% 10-19-2027	193,000	169	175
Ontario Teachers' Finance Trust 4.45% 06-02-2032	229,000	228	239
Province of Alberta 2.95% 06-01-2052	3,270,000	2,930	2,700
Province of Alberta 3.05% 12-01-2048	805,000	836	677
Province of Alberta 3.10% 06-01-2050	6,514,000	6,608	5,535
Province of British Columbia 2.95% 06-18-2050	1,426,000	1,504	1,186
Province of British Columbia 3.55% 06-18-2033	1,939,000	1,760	1,906
Province of Manitoba 2.05% 09-05-2052	1,344,000	844	885
Province of Manitoba 2.85% 09-05-2046	2,357,000	2,372	1,902
Province of Manitoba 3.20% 03-05-2050	60,000	64	51
Province of Manitoba 3.80% 09-05-2053	894,000	832	850
Province of Nova Scotia 3.15% 12-01-2051	1,133,000	1,336	963
Province of Ontario 3.65% 06-02-2033	16,671,000	15,657	16,514
Province of Ontario 4.05% 02-02-2032	1,841,000	1,839	1,890
Province of Ontario 4.15% 12-02-2054	1,139,000	1,086	1,187
Province of Quebec 3.60% 09-01-2033	8,982,000	8,525	8,870
Province of Quebec 3.65% 05-20-2032	450,000	450	450
Province of Quebec 3.90% 11-22-2032	350,000	345	356
Province of Quebec 4.40% 12-01-2055	7,206,000	7,434	7,865
Province of Saskatchewan 2.80% 12-02-2052	1,208,000	1,223	967

Fixed Income Fund (Laketon) SF019

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or Par Value	Average Cost	Fair Value
Canadian Bonds (continued)			
Provincial Government (continued)			
Province of Saskatchewan 3.10% 06-02-2050	1,980,000	2,057	1,686
Total Provincial Government		61,828	60,043
Municipal Government			
City of Ottawa 3.05% 05-10-2039	411,000	409	359
City of Ottawa 3.25% 11-10-2047	158,000	173	134
Total Municipal Government		582	493
Corporate - Non-convertible			
407 International Inc. 1.80% 05-22-2025	160,000	160	154
407 International Inc. 3.14% 03-06-2030	613,000	567	586
407 International Inc. 3.30% 03-27-2045	206,000	206	173
407 International Inc. 3.43% 06-01-2033	419,000	379	394
407 International Inc. 3.60% 05-21-2047	394,000	316	345
407 International Inc. 3.67% 03-08-2049	441,000	378	390
407 International Inc. 4.19% 04-25-2042	95,000	82	91
407 International Inc. 4.22% 02-14-2028	252,000	252	251
407 International Inc. 4.86% 07-31-2053	89,000	89	95
Aeroports de Montreal 3.03% 04-21-2050	39,000	30	31
Aeroports de Montreal 3.36% 04-24-2047	266,000	208	229
Aeroports de Montreal 6.55% 10-11-2033	31,000	37	36
AIMCo Realty Investors LP 2.195% 11-04-2026	200,000	200	188
AIMCo Realty Investors LP 2.712% 06-01-2029	627,000	634	574
Algonquin Power & Utilities Corp. 4.09% 02-17-2027	18,000	20	18
Algonquin Power & Utilities Corp. 4.60% 01-29-2029	133,000	130	132
Algonquin Power & Utilities Corp. 5.25% 01-18-2082	250,000	250	208
Algonquin Power Co. 2.85% 07-15-2031	811,000	704	708
Alimentation Couche-Tard 5.592% 09-25-2030	457,000	457	487
AltaGas Ltd. 2.166% 03-16-2027	388,000	388	360
AltaGas Ltd. 4.638% 05-15-2026	44,000	44	44
AltaGas Ltd. 5.25% 01-11-2082	160,000	160	134
AltaGas Ltd. 7.35% 08-17-2082	38,000	38	38
AltaGas Ltd. 8.90% 11-10-2083	123,000	123	129
AltaLink LP 1.509% 09-11-2030	150,000	122	128
AltaLink LP 4.692% 11-28-2032	106,000	106	110

Fixed Income Fund (Laketon) SF019

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or <u>Par Value</u>	Average <u>Cost</u>	Fair <u>Value</u>
Canadian Bonds (continued)			
Corporate - Non-convertible (continued)			
AltaLink LP 5.463% 10-11-2055	193,000	193	228
ARC Resources Ltd. 3.465% 03-10-2031	235,000	203	216
Athabasca Indigenous Midstream LP 6.069% 02-05-2042	42,213	42	45
Athene Global Funding 3.127% 03-10-2025	189,000	189	184
Bank of Montreal 2.70% 09-11-2024	717,000	691	705
Bank of Montreal 3.19% 03-01-2028	628,000	606	606
Bank of Montreal 3.65% 04-01-2027	469,000	460	457
Bank of Montreal 4.30% 11-26-2025	231,000	229	219
Bank of Montreal 4.309% 06-01-2027	784,000	778	780
Bank of Montreal 4.537% 12-18-2028	394,000	394	396
Bank of Montreal 4.709% 12-07-2027	1,635,000	1,630	1,649
Bank of Montreal 6.034% 09-07-2033	723,000	721	754
Bank of Montreal 6.534% 10-27-2032	368,000	376	388
Bank of Montreal 7.325% 11-26-2082	753,000	753	750
Baytex Energy Corp. 8.50% 04-30-2030 144A	84,000	118	115
BCI QuadReal Realty 1.056% 03-12-2024	180,000	180	179
BCI QuadReal Realty 1.073% 02-04-2026	199,000	199	186
BCI QuadReal Realty 2.551% 06-24-2026	52,000	49	50
BCIMC Realty Corp. 2.84% 06-03-2025	650,000	679	633
Bell Canada 2.20% 05-29-2028	395,000	371	363
Bell Canada 3.00% 03-17-2031	220,000	195	200
Bell Canada 5.15% 11-14-2028	191,000	191	198
Bell Canada 5.25% 03-15-2029	273,000	273	285
Bell Canada Inc. 4.45% 02-27-2047	327,000	287	301
Bell Canada Inc. 5.85% 11-10-2032	129,000	136	140
Brookfield Infrastructure Finance ULC 4.193% 09-11-2028	705,000	799	691
Brookfield Infrastructure Finance ULC 5.616% 11-14-2027	319,000	319	330
Brookfield Renewable Energy Partners LP 3.63% 01-15-2027	443,000	450	431
Brookfield Residential Properties Inc./Brookfield Residential US Corp. 5.125% 06-15-2029	74,000	74	65
Bruce Power LP 4.00% 06-21-2030	537,000	524	522
Bruce Power LP 4.99% 12-21-2032	59,000	59	61
CAE Inc. 5.541% 06-12-2028	163,000	163	168
Calgary Airport Authority 3.554% 10-07-2051	100,000	87	87
Calgary Airport Authority 3.554% 10-07-2053	90,000	73	78
Canadian Core Real Estate 3.299% 03-02-2027	210,000	210	197
Canadian Imperial Bank of Commerce 1.10% 01-19-2026	890,000	889	832

Fixed Income Fund (Laketon) SF019

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or Par Value	Average Cost	Fair Value
Canadian Bonds (continued)			
Corporate - Non-convertible (continued)			
Canadian Imperial Bank of Commerce 1.96% 04-21-2031	709,000	709	662
Canadian Imperial Bank of Commerce 4.20% 04-07-2032	178,000	176	174
Canadian Imperial Bank of Commerce 4.375% 10-28-2025	261,000	247	248
Canadian Imperial Bank of Commerce 4.95% 06-29-2027	1,001,000	1,010	1,015
Canadian Imperial Bank of Commerce 5.00% 12-07-2026	633,000	633	642
Canadian Imperial Bank of Commerce 5.05% 10-07-2027	169,000	168	172
Canadian Imperial Bank of Commerce 5.33% 01-20-2033	212,000	212	214
Canadian Imperial Bank of Commerce 5.35% 04-20-2033	193,000	193	195
Canadian Imperial Bank of Commerce 5.935% 07-14-2026	258,000	258	259
Canadian Imperial Bank of Commerce 7.15% 07-28-2082	180,000	180	179
Canadian National Railway Co. 3.00% 02-08-2029	33,000	33	31
Canadian National Railway Co. 4.40% 05-10-2033	179,000	179	181
Canadian Natural Resources Ltd. 3.42% 12-01-2026	488,000	488	474
Canadian Pacific Railway Ltd. 2.54% 02-28-2028	524,000	514	491
Canadian Pacific Railway Ltd. 3.15% 03-13-2029	207,000	188	197
Canadian Utilities Ltd. 4.851% 06-03-2052	231,000	229	240
Canadian Western Bank 1.926% 04-16-2026	1,024,000	1,031	965
Canadian Western Bank 2.597% 09-06-2024	350,000	331	344
Canadian Western Bank 2.606% 01-30-2025	130,000	133	126
Canadian Western Bank 3.859% 04-21-2025	320,000	320	315
Canadian Western Bank 5.00% 07-31-2081	80,000	80	62
Canadian Western Bank 5.146% 09-02-2027	573,000	571	581
Canadian Western Bank 5.261% 12-20-2025	99,000	99	100
Canadian Western Bank 5.937% 12-22-2032	93,000	93	93
Canadian Western Bank 6.00% 04-30-2081	128,000	128	116
Capital Power Corp. 4.284% 09-18-2024	270,000	298	268
Capital Power Corp. 5.816% 09-15-2028	168,000	168	175
Capital Power Corp. 5.973% 01-25-2034	170,000	170	177
Cascades Inc./Cascades USA Inc. 5.125% 01-15-2025	197,000	197	196
CDP Financial Inc. 1.50% 10-19-2026	533,000	532	501
Cenovus Energy Inc. 3.50% 02-07-2028	1,301,000	1,294	1,254
Cenovus Energy Inc. 3.60% 03-10-2027	91,000	89	89
Central 1 Credit Union 5.877% 11-10-2026	132,000	132	135
Choice Properties REIT 2.456% 11-30-2026	115,000	115	108
Choice Properties REIT 2.848% 05-21-2027	308,000	315	291
Choice Properties REIT 3.532% 06-11-2029	976,000	884	922
Choice Properties REIT 5.40% 03-01-2033	490,000	491	502

Fixed Income Fund (Laketon) SF019

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or <u>Par Value</u>	Average <u>Cost</u>	Fair <u>Value</u>
Canadian Bonds (continued)			
Corporate - Non-convertible (continued)			
Choice Properties REIT 5.699% 02-28-2034	333,000	331	349
Choice Properties REIT 6.003% 06-24-2032	94,000	99	101
Coast Capital Savings Federal Credit Union 8.875% 05-02-2033	350,000	350	355
Cogeco Communications Inc. 2.991% 09-22-2031	165,000	165	144
Cogeco Communications Inc. 5.299% 02-16-2033	85,000	85	86
Cologix Data Centers Issuer LLC 4.94% 01-25-2052	31,000	31	29
Cologix Data Centers Issuer LLC 5.68% 01-25-2052	25,000	25	23
Corus Entertainment Inc. 5.00% 05-11-2028	65,000	65	44
Crombie REIT 3.133% 08-12-2031	66,000	66	56
Crombie REIT 3.677% 08-26-2026	126,000	126	122
CU Inc. 2.963% 09-07-2049	250,000	193	194
CU Inc. 4.085% 09-02-2044	465,000	463	439
CU Inc. 4.773% 09-14-2052	216,000	216	228
CU Inc. 5.088% 09-20-2053	203,000	203	225
Curaleaf Holdings Inc. 8.00% 12-15-2026	220,000	282	247
Dollarama Inc. 5.084% 10-27-2025	300,000	299	302
Dollarama Inc. 5.533% 09-26-2028	217,000	217	228
Dream Industrial REIT 1.662% 12-22-2025	128,000	128	121
Dream Industrial REIT 2.057% 06-17-2027	537,000	527	489
Dream Industrial REIT 2.539% 12-07-2026	152,000	152	142
Dream Industrial REIT 5.383% 03-22-2028	82,000	82	83
Dream Industrial REIT 5.383% 03-22-2028	120,000	121	122
Emera Inc. 4.838% 05-02-2030	410,000	388	412
Enbridge Gas Inc. 2.35% 09-15-2031	172,000	143	151
Enbridge Gas Inc. 2.37% 08-09-2029	61,000	52	56
Enbridge Gas Inc. 3.20% 09-15-2051	331,000	301	261
Enbridge Gas Inc. 4.55% 08-17-2052	399,000	377	398
Enbridge Gas Inc. 5.70% 10-06-2033	141,000	141	155
Enbridge Inc. 3.10% 09-21-2033	2,095,000	2,070	1,812
Enbridge Inc. 4.90% 05-26-2028	229,000	229	233
Enbridge Inc. 5.375% 09-27-2077	2,157,000	2,086	2,033
Enbridge Inc. 6.625% 04-12-2078	699,000	702	689
Enbridge Inc. 8.495% 01-15-2084	75,000	78	79
Enbridge Inc. 8.747% 01-15-2084	322,000	328	347
Enbridge Pipelines Inc. 4.33% 02-22-2049	156,000	152	137
Enbridge Pipelines Inc. 4.55% 09-29-2045	67,000	60	61
Enbridge Pipelines Inc. 5.82% 08-17-2053	58,000	62	63

Fixed Income Fund (Laketon) SF019

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or Par Value	Average Cost	Fair Value
Canadian Bonds (continued)			
Corporate - Non-convertible (continued)			
Energir Inc. 2.10% 04-16-2027	168,000	153	158
Energir LP 4.67% 09-27-2032	163,000	163	167
EPCOR Utilities Inc. 3.106% 07-08-2049	402,000	300	321
EPCOR Utilities Inc. 3.554% 11-27-2047	308,000	316	268
EPCOR Utilities Inc. 4.725% 09-02-2052	221,000	221	232
EPCOR Utilities Inc. 5.326% 10-03-2053	416,000	431	478
Equitable Bank 1.876% 11-26-2025	35,000	31	33
Equitable Bank 3.362% 03-02-2026	167,000	167	161
Fairfax Financial Holdings Ltd. 3.95% 03-03-2031	465,000	445	438
Federation des Caisses Desjardins du Quebec 1.093% 01-21-2026	2,319,000	2,319	2,166
Federation des Caisses Desjardins du Quebec 1.587% 09-10-2026	310,000	291	289
Federation des Caisses Desjardins du Quebec 4.407% 05-19-2027	528,000	528	527
Federation des Caisses Desjardins du Quebec 5.035% 08-23-2032	465,000	465	465
Federation des Caisses Desjardins du Quebec 5.20% 10-01-2025	355,000	355	358
Federation des Caisses Desjardins du Quebec 5.467% 11-17-2028	245,000	245	255
Federation des Caisses Desjardins du Quebec 5.475% 08-16-2028	112,000	112	117
Finning International Inc. 4.445% 05-16-2028	148,000	148	148
First Capital REIT 3.447% 03-01-2028	140,000	124	129
First National Financial Corp. 2.961% 11-17-2025	130,000	130	123
First West Credit Union 9.186% 08-09-2033	157,000	157	166
Ford Credit Canada Co. 2.961% 09-16-2026	108,000	108	102
Ford Credit Canada Co. 6.326% 11-10-2026	161,000	161	165
Ford Credit Canada Co. 6.777% 09-15-2025	370,000	370	378
Ford Credit Canada Co. 7.00% 02-10-2026	480,000	480	494
Ford Credit Canada Co. 7.375% 05-12-2026	257,000	257	268
Fortis Inc. 4.431% 05-31-2029	373,000	373	374
Fortis Inc. 5.677% 11-08-2033	235,000	235	254
General Motors Financial of Canada Ltd. 5.20% 02-09-2028	136,000	136	138
GFL Environmental Inc. 3.50% 09-01-2028 144A	475,000	566	580
GFL Environmental Inc. 6.75% 01-15-2031 144A	144,000	196	197
Gibson Energy Inc. 5.25% 12-22-2030	415,000	415	356
Gibson Energy Inc. 5.75% 07-12-2033	223,000	224	235
Gibson Energy Inc. 8.70% 07-12-2083	98,000	99	102
Granite REIT Holdings LP 2.194% 08-30-2028	441,000	421	394
Granite REIT Holdings LP 2.378% 12-18-2030	49,000	40	42
Granite REIT Holdings LP 3.062% 06-04-2027	1,197,000	1,234	1,134
Greater Toronto Airports Authority 1.54% 05-03-2028	313,000	276	285

Fixed Income Fund (Laketon) SF019

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or Par Value	Average Cost	Fair Value
Canadian Bonds (continued)			
Corporate - Non-convertible (continued)			
Greater Toronto Airports Authority 2.75% 10-17-2039	855,000	853	699
Greater Toronto Airports Authority 6.47% 02-02-2034	46,000	53	54
Greater Toronto Airports Authority 7.05% 06-12-2030	204,000	233	235
Greater Toronto Airports Authority 7.10% 06-04-2031	204,000	237	239
H&R REIT 4.071% 06-16-2025	353,000	381	345
Home Trust Co. 5.317% 06-13-2024	229,000	229	228
Honda Canada Finance Inc. 4.873% 09-23-2027	213,000	213	217
Honda Canada Finance Inc. 5.73% 09-28-2028	146,000	146	155
HSBC Bank Canada 3.403% 03-24-2025	410,000	409	403
Hydro One Inc. 2.23% 09-17-2031	430,000	395	379
Hydro One Inc. 4.16% 01-27-2033	134,000	134	134
Hydro One Inc. 4.59% 10-09-2043	346,000	327	351
Hydro One Inc. 4.85% 11-30-2054	257,000	257	277
Hydro One Inc. 4.89% 03-13-2037	365,000	355	379
Hydro One Inc. 4.91% 01-27-2028	309,000	309	319
Hydro One Inc. 6.93% 06-01-2032	265,000	309	312
Hydro One Inc. 7.35% 06-03-2030	408,000	468	477
Hydro One Ltd. 1.41% 10-15-2027	295,000	295	269
iA Financial Corp. Inc. 2.40% 02-21-2025	105,000	105	102
iA Financial Corp. Inc. 5.685% 06-20-2033	129,000	129	133
Intact Financial Corp. 4.125% 03-31-2081	60,000	60	53
Intact Financial Corp. 5.459% 09-22-2032 144A	152,000	201	201
Inter Pipeline Ltd. 3.484% 12-16-2026	332,000	334	321
Inter Pipeline Ltd. 3.983% 11-25-2031	180,000	180	164
Inter Pipeline Ltd. 4.232% 06-01-2027	492,000	503	484
Inter Pipeline Ltd. 5.71% 05-29-2030	151,000	151	155
Inter Pipeline Ltd. 5.76% 02-17-2028	194,000	193	200
Inter Pipeline Ltd. 6.875% 03-26-2079	142,000	142	137
John Deere Financial Inc. 5.17% 09-15-2028	73,000	72	76
Keyera Corp. 3.959% 05-29-2030	384,000	410	365
Keyera Corp. 5.95% 03-10-2081	200,000	200	177
Kruger Packaging Holdings LP 6.00% 06-01-2026	186,000	186	180
Kruger Products Inc. 5.375% 04-09-2029	40,000	40	36
Laurentian Bank of Canada 1.15% 06-03-2024	211,000	211	207
Laurentian Bank of Canada 4.60% 09-02-2025	286,000	286	283
Laurentian Bank of Canada 5.095% 06-15-2032	461,000	461	439
Loblaw Companies Ltd. 2.284% 05-07-2030	116,000	97	103

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As at December 31, 2023

	No. of Units, Shares or Par Value	Average Cost	Fair Value
Canadian Bonds (continued)			
Corporate - Non-convertible (continued)			
Loblaw Companies Ltd. 5.336% 09-13-2052	148,000	148	161
Lower Mattagami Energy LP 2.433% 05-14-2031	206,000	206	184
Lower Mattagami Energy LP 3.42% 06-20-2024	181,000	177	179
Lower Mattagami Energy LP 4.854% 10-31-2033	126,000	126	132
Magna International Inc. 4.95% 01-31-2031	186,000	186	192
Manulife Bank of Canada 1.536% 09-14-2026	319,000	319	297
Manulife Bank of Canada 2.864% 02-16-2027	361,000	361	346
Manulife Financial Corp. 2.237% 05-12-2030	775,000	712	747
Manulife Financial Corp. 3.049% 08-20-2029	1,753,000	1,798	1,725
Manulife Financial Corp. 5.409% 03-10-2033	394,000	394	403
Manulife Financial Corp. 7.117% 06-19-2082	254,000	252	255
Mattamy Group Corp. 4.625% 03-01-2030 144A	20,000	22	25
MCAP Commercial LP 3.743% 08-25-2025	224,000	224	215
MEG Energy Corp. 5.875% 02-01-2029 144A	84,000	110	108
Metro Inc. 4.657% 02-07-2033	59,000	59	60
National Bank of Canada 1.534% 06-15-2026	182,000	175	170
National Bank of Canada 1.573% 08-18-2026	234,000	213	223
National Bank of Canada 4.05% 08-15-2081	250,000	250	194
National Bank of Canada 4.30% 11-15-2025	508,000	508	479
National Bank of Canada 4.968% 12-07-2026	383,000	383	388
National Bank of Canada 5.023% 02-01-2029	158,000	158	162
National Bank of Canada 5.219% 06-14-2028	380,000	379	391
National Bank of Canada 5.296% 11-03-2025	215,000	216	217
National Bank of Canada 5.426% 08-16-2032	460,000	460	465
North West Redwater Partnership 2.80% 06-01-2027	775,000	748	739
North West Redwater Partnership 3.20% 04-24-2026	502,000	524	489
North West Redwater Partnership 3.20% 07-22-2024	185,000	180	183
North West Redwater Partnership 3.65% 06-01-2035	240,000	207	220
North West Redwater Partnership 3.70% 02-23-2043	174,000	162	152
North West Redwater Partnership 4.15% 06-01-2033	559,000	504	544
North West Redwater Partnership 4.25% 06-01-2029	150,000	150	150
North West Redwater Partnership/NWR Financing Co. Ltd. 2.80% 06-01-2031	916,000	857	822
OMERS Finance Trust 2.60% 05-14-2029	365,000	365	346
Ontario Power Generation Inc. 2.893% 04-08-2025	914,000	877	893
Parkland Corp. of Canada 3.875% 06-16-2026	590,000	590	566
Parkland Corp. of Canada 4.375% 03-26-2029	1,853,000	1,845	1,711
Parkland Corp. of Canada 6.00% 06-23-2028	456,000	454	457

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	No. of Units, Shares or <u>Par Value</u>	Average <u>Cost</u>	Fair <u>Value</u>
Canadian Bonds (continued)			
Corporate - Non-convertible (continued)			
Pembina Pipeline Corp. 2.99% 01-22-2024	671,000	700	670
Pembina Pipeline Corp. 4.02% 03-27-2028	932,000	1,036	912
Pembina Pipeline Corp. 4.74% 01-21-2047	54,000	59	49
Pembina Pipeline Corp. 4.80% 01-25-2031	330,000	330	279
Pembina Pipeline Corp. 4.81% 03-25-2044	489,000	471	452
Pembina Pipeline Corp. 5.72% 06-22-2026	180,000	180	180
Prime Structured Mortgage Trust 1.856% 11-15-2024	244,000	244	237
Prologis LP 5.25% 01-15-2031	78,000	76	81
PSP Capital Inc. 2.60% 03-01-2032	829,000	764	765
PSP Capital Inc. 4.15% 06-01-2033	18,000	18	18
Reliance LP 2.67% 08-01-2028	215,000	215	194
Reliance LP 2.68% 12-01-2027	305,000	305	280
Reliance LP 3.75% 03-15-2026	128,000	128	125
RioCan REIT 2.361% 03-10-2027	205,000	205	189
RioCan REIT 2.576% 02-12-2025	2,083,000	2,122	2,022
RioCan REIT 2.829% 11-08-2028	322,000	293	289
RioCan REIT 4.628% 05-01-2029	69,000	69	67
RioCan REIT 5.611% 10-06-2027	111,000	111	112
RioCan REIT 5.962% 10-01-2029	222,000	222	228
Rogers Communications Inc. 2.90% 12-09-2030	172,000	144	154
Rogers Communications Inc. 3.10% 04-15-2025	1,080,000	1,033	1,055
Rogers Communications Inc. 3.75% 04-15-2029	605,000	602	582
Rogers Communications Inc. 5.00% 12-17-2081	2,293,000	2,137	2,187
Rogers Communications Inc. 5.25% 03-15-2082 144A	495,000	633	631
Rogers Communications Inc. 5.70% 09-21-2028	409,000	408	429
Rogers Communications Inc. 6.68% 11-04-2039	202,000	256	229
Rogers Communications Inc. 6.75% 11-09-2039	298,000	394	341
Royal Bank of Canada 2.088% 06-30-2030	300,000	282	287
Royal Bank of Canada 2.14% 11-03-2031	458,000	444	425
Royal Bank of Canada 2.328% 01-28-2027	500,000	450	471
Royal Bank of Canada 2.609% 11-01-2024	1,288,000	1,241	1,262
Royal Bank of Canada 2.88% 12-23-2029	2,766,000	2,810	2,697
Royal Bank of Canada 4.612% 07-26-2027	767,000	758	772
Royal Bank of Canada 4.632% 05-01-2028	241,000	241	243
Royal Bank of Canada 4.642% 01-17-2028	458,000	458	462
Royal Bank of Canada 5.01% 02-01-2033	247,000	247	248
Royal Bank of Canada 5.235% 11-02-2026	419,000	420	428

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	No. of Units, Shares or Par Value	Average Cost	Fair Value
Canadian Bonds (continued)			
Corporate - Non-convertible (continued)			
Royal Bank of Canada 5.341% 06-23-2026	261,000	261	266
Russel Metals Inc. 5.75% 10-27-2025	535,000	535	535
Sagen MI Canada Inc. 3.261% 03-05-2031	168,000	167	142
Sagen MI Canada Inc. 4.95% 03-24-2081	136,000	136	118
Saputo Inc. 5.492% 11-20-2030	223,000	223	234
Sienna Senior Living Inc. 2.82% 03-31-2027	75,000	75	69
Sun Life Financial Inc. 2.06% 10-01-2035	521,000	521	438
Sun Life Financial Inc. 2.38% 08-13-2029	1,027,000	1,025	1,008
Sun Life Financial Inc. 2.58% 05-10-2032	403,000	415	377
Sun Life Financial Inc. 2.80% 11-21-2033	331,000	331	304
Sun Life Financial Inc. 4.78% 08-10-2034	490,000	488	490
Sun Life Financial Inc. 5.50% 07-04-2035	212,000	212	219
Suncor Energy Inc. 3.95% 03-04-2051	347,000	340	290
Suncor Energy Inc. 5.40% 11-17-2026	310,000	310	318
Superior Plus LP 4.25% 05-18-2028	800,000	795	744
Tamarack Valley Energy Ltd. 7.25% 05-10-2027	50,000	47	49
TELUS Corp. 2.05% 10-07-2030	320,000	309	274
TELUS Corp. 2.85% 11-13-2031	247,000	206	218
TELUS Corp. 3.15% 02-19-2030	472,000	439	437
TELUS Corp. 3.30% 05-02-2029	695,000	693	659
TELUS Corp. 4.70% 03-06-2048	290,000	235	270
TELUS Corp. 4.95% 03-28-2033	121,000	121	122
Teranet Holdings LP 3.544% 06-11-2025	431,000	431	419
Teranet Holdings LP 3.719% 02-23-2029	478,000	478	446
The Bank of Nova Scotia 2.95% 03-08-2027	193,000	181	184
The Bank of Nova Scotia 3.934% 05-03-2032	230,000	230	222
The Bank of Nova Scotia 5.50% 05-08-2026	938,000	934	958
The Bank of Nova Scotia 5.50% 12-29-2025	571,000	570	580
The Bank of Nova Scotia 5.679% 08-02-2033	157,000	157	161
The Bank of Nova Scotia 7.023% 07-27-2082	651,000	647	643
The Empire Life Insurance Co. 3.625% 04-17-2026	108,000	108	84
The Empire Life Insurance Co. 5.503% 01-13-2033	129,000	129	130
The Independent Order of Foresters 2.885% 10-15-2035	259,000	259	221
The Toronto-Dominion Bank 2.26% 01-07-2027	297,000	288	279
The Toronto-Dominion Bank 2.667% 09-09-2025	330,000	314	319
The Toronto-Dominion Bank 3.06% 01-26-2032	820,000	813	778
The Toronto-Dominion Bank 3.105% 04-22-2030	2,218,000	2,126	2,157

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	No. of Units, Shares or Par Value	Average Cost	Fair Value
Canadian Bonds (continued)			
Corporate - Non-convertible (continued)			
The Toronto-Dominion Bank 4.21% 06-01-2027	954,000	937	947
The Toronto-Dominion Bank 4.34% 01-27-2026	696,000	687	694
The Toronto-Dominion Bank 4.477% 01-18-2028	645,000	641	646
The Toronto-Dominion Bank 4.68% 01-08-2029	284,000	284	287
The Toronto-Dominion Bank 5.376% 10-21-2027	243,000	243	251
The Toronto-Dominion Bank 5.423% 07-10-2026	244,000	244	249
The Toronto-Dominion Bank 5.491% 09-08-2028	370,000	370	387
TMX Group Ltd. 2.016% 02-12-2031	129,000	129	110
Toronto Hydro Corp. 4.61% 06-14-2033	267,000	267	275
Toronto Hydro Corp. 4.95% 10-13-2052	226,000	233	247
Tourmaline Oil Corp. 2.529% 02-12-2029	117,000	117	107
Toyota Credit Canada Inc. 4.45% 01-26-2026	219,000	217	219
TransCanada PipeLines Ltd. 3.80% 04-05-2027	581,000	653	570
TransCanada PipeLines Ltd. 4.34% 10-15-2049	275,000	233	238
TransCanada PipeLines Ltd. 5.277% 07-15-2030	402,000	402	415
TransCanada PipeLines Ltd. Floating Rate 05-18-2077	2,201,000	2,103	2,012
TransCanada Trust 4.20% 03-04-2081	459,000	459	379
TransCanada Trust 5.30% 03-15-2077	37,000	44	44
Transcontinental Inc. 2.667% 02-03-2025	79,000	74	76
Vancouver Airport Authority 1.76% 09-20-2030	76,000	64	66
Ventas Canada Finance Ltd. 5.398% 04-21-2028	270,000	270	275
Vermilion Energy Inc. 6.875% 05-01-2030 144A	31,000	40	40
Videotron Ltd. 3.125% 01-15-2031	737,000	713	632
Videotron Ltd. 4.50% 01-15-2030	945,000	945	893
Videotron Ltd./Videotron Ltee. 3.625% 06-15-2028	300,000	300	280
Waste Management of Canada Corp. 2.60% 09-23-2026	78,000	78	75
WSP Global Inc. 2.408% 04-19-2028	431,000	434	397
Total Corporate - Non-convertible		128,744	126,032
Corporate - Convertible			
The Cannabist Company Holdings Inc. 6.00% 06-29-2025 Conv.	25,000	31	26
Total Corporate - Convertible		31	26

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	No. of Units, Shares or Par Value	Average Cost	Fair Value
Canadian Bonds (continued)			
Mortgage Backed			
First National Financial Corp. 3.84% 11-01-2028	1,741,000	1,682	1,728
Total Mortgage Backed		1,682	1,728
Total Canadian Bonds		213,252	208,933
United States Bonds			
Federal Government			
United States Treasury 3.50% 02-15-2033	1,300,000	1,672	1,672
United States Treasury Inflation Index 0.125% 02-15-2051 Real Return	1,864,000	1,928	1,817
United States Treasury Inflation Index 0.125% 02-15-2052 Real Return	1,545,000	2,029	1,395
United States Treasury Inflation Index 0.50% 04-15-2024 Real Return	4,299,000	6,824	6,865
United States Treasury Inflation Index 1.50% 02-15-2053 Real Return	1,965,000	2,551	2,454
Total Federal Government		15,004	14,203
Corporate - Non-convertible			
Air Lease Corp. 5.40% 06-01-2028	191,000	189	196
Amazon.com Inc. 3.95% 04-13-2052	392,000	466	456
Amazon.com Inc. 4.70% 12-01-2032	373,000	507	508
Athene Global Funding 2.47% 06-09-2028	93,000	84	83
Bank of America Corp. 1.978% 09-15-2027	307,000	302	286
Bank of America Corp. 2.598% 04-04-2029	216,000	216	199
Bank of America Corp. 3.615% 03-16-2028	1,416,000	1,344	1,373
Bimbo Bakeries USA Inc. 6.05% 01-15-2029	200,000	276	279
Broadcom Inc. 4.11% 09-15-2028	273,000	348	354
Charter Communications Operating LLC 5.05% 03-30-2029	411,000	516	540
DIRECTV Holdings LLC/DIRECTV Financing Co. 5.875% 08-15-2027 144A	41,000	52	51
Glencore Funding LLC 5.40% 05-08-2028 144A	43,000	59	58
Go Daddy Operating Co. LLC/GD Finance Co. Inc. 3.50% 03-01-2029 144A	5,000	6	6
JPMorgan Chase & Co. 1.896% 03-05-2028	564,000	564	521
LGI Homes Inc. 8.75% 12-15-2028 144A	10,000	14	14
Micron Technology Inc. 5.375% 04-15-2028	273,000	367	369
Nestle Holdings Inc. 2.192% 01-26-2029	242,000	242	224
NextEra Energy Capital Holdings Inc. 1.90% 06-15-2028	143,000	172	168
Pfizer Investment Enterprises Pte. Ltd. 4.65% 05-19-2030	785,000	1,056	1,048
Pfizer Investment Enterprises Pte. Ltd. 4.75% 05-19-2033	241,000	324	320

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	No. of Units, Shares or Par Value	Average Cost	Fair Value
United States Bonds (continued)			
Corporate - Non-convertible (continued)			
Tenet Healthcare Corp. 4.375% 01-15-2030	35,000	47	43
The Goldman Sachs Group Inc. 2.013% 02-28-2028	169,000	169	152
The Goldman Sachs Group Inc. 2.599% 11-30-2027	455,000	455	429
The Walt Disney Co. 3.057% 03-30-2027	1,122,000	1,188	1,084
T-Mobile USA Inc. 3.75% 04-15-2027	408,000	509	525
T-Mobile USA Inc. 4.95% 03-15-2028	196,000	263	264
T-Mobile USA Inc. 5.20% 01-15-2033	317,000	414	431
Univision Communications Inc. 4.50% 05-01-2029 144A	50,000	61	59
Verizon Communications Inc. 2.375% 03-22-2028	682,000	640	631
Verizon Communications Inc. Floating Rate 03-20-2026	83,000	104	110
Wells Fargo & Co. 2.568% 05-01-2025	501,000	468	484
Wells Fargo & Co. 2.975% 05-19-2026	162,000	175	156
Zoetis Inc. 2.00% 05-15-2030	286,000	314	327
Total Corporate - Non-convertible		11,911	11,748
Total United States Bonds		26,915	25,951
Global Bonds			
Australia			
Transurban Finance Co. Pty Ltd. 4.555% 11-14-2028	106,000	116	105
Austria			
Suzano Austria GmbH 2.50% 09-15-2028	163,000	204	190
British Virgin Islands			
Sino-Ocean Land Treasure IV Ltd. 4.75% 08-05-2029	300,000	156	32
Cayman Islands			
CIFI Holdings Group Co. Ltd. 6.00% 07-16-2025	200,000	64	18
Country Garden Holdings Co. Ltd. 2.70% 07-12-2026	300,000	257	33
Kaisa Group Holdings Ltd. 10.50% 09-07-2022 ⁽¹⁾	600,000	368	30
Kaisa Group Holdings Ltd. 8.65% 07-22-2022 ⁽¹⁾	200,000	91	10
Logan Group Co. Ltd. 4.70% 07-06-2026	204,000	166	19

⁽¹⁾ This security was past due as at December 31, 2023. The term-to-maturity for this security is disclosed as 1 year or less in the Interest Rate Risk note within the Notes to the Schedule of Investment Portfolio.

Fixed Income Fund (Laketon) SF019

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	No. of Units, Shares or <u>Par Value</u>	Average <u>Cost</u>	Fair <u>Value</u>
Global Bonds (continued)			
Cayman Islands (continued)			
Sunac China Holdings Ltd. 1.00% 09-30-2032	45,057	14	5
Sunac China Holdings Ltd. 6.00% 09-30-2025	36,450	11	6
Sunac China Holdings Ltd. 6.25% 09-30-2026	36,450	11	5
Sunac China Holdings Ltd. 6.50% 09-30-2027	72,901	22	9
Sunac China Holdings Ltd. 6.75% 09-30-2028	109,352	33	12
Sunac China Holdings Ltd. 7.00% 09-30-2029	109,352	33	11
Sunac China Holdings Ltd. 7.25% 09-30-2030	51,372	16	5
Chile			
Colbun SA 3.15% 01-19-2032	206,000	254	236
Ireland			
AerCap Ireland Capital DAC/AerCap Global Aviation Trust 3.00% 10-29-2028	198,000	230	240
Jersey			
Heathrow Funding Ltd. 2.694% 10-13-2027	165,000	165	154
Heathrow Funding Ltd. 3.40% 03-08-2028	363,000	363	347
Heathrow Funding Ltd. 3.726% 04-13-2033	262,000	268	237
Heathrow Funding Ltd. 3.782% 09-04-2030	237,000	231	224
Luxembourg			
Aroundtown SA 4.625% 09-18-2025	487,000	485	470
Minerva Luxembourg SA 8.875% 09-13-2033	200,000	273	281
Mexico			
Becle SAB de CV 2.50% 10-14-2031	249,000	312	265
Netherlands			
NXP BV/NXP Funding LLC/NXP USA Inc. 2.65% 02-15-2032	84,000	107	94
United Kingdom			
Anglian Water Services Financing PLC 4.525% 08-26-2032	173,000	173	169
BP Capital Markets PLC 3.47% 05-15-2025	112,000	109	110
MARB BondCo PLC 3.95% 01-29-2031	200,000	205	215

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	No. of Units, Shares or Par Value	Average Cost	Fair Value
Global Bonds (continued)			
Supra - National			
International Bank for Reconstruction and Development 0.00% 03-31-2027	280,000	334	343
Total Global Bonds		5,071	3,875
Total Bonds		245,238	238,759
Canadian Common Stock			
Exchange Traded Funds			
BMO High Yield US Corporate Bond Hedged to CAD Index ETF	84,711	1,119	947
Mackenzie Canadian Aggregate Bond Index ETF *	74,000	6,750	6,893
Total Canadian Common Stock		7,869	7,840
Canadian Preferred Stock			
Communication Services			
BCE Inc. 2.75% Preferred	697	11	11
BCE Inc. 3.61% Preferred	4,428	69	72
BCE Inc. 4.13% Preferred	223	4	3
Consumer Staples			
Loblaw Companies Ltd. 5.30% Preferred	831	22	18
Energy			
TransAlta Corp. 4.027% Preferred	660	12	12
Financials			
Brookfield Corp. 4.80% Preferred Conv.	2,187	56	43
Utilities			
Emera Inc. 4.25% Preferred	207	5	4
Emera Inc. 4.60% Preferred	1,995	50	34
TransAlta Corp. 2.709% Preferred	2,116	26	26
Total Canadian Preferred Stock		255	223

*The issuer of this security is a related company to the issuer of the Fund.

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	No. of Units, Shares or <u>Par Value</u>	<u>Average Cost</u>	<u>Fair Value</u>
Global Preferred Stock			
Bermuda			
Brookfield Renewable Partners LP 5.00% Preferred	1,772	44	33
Total Global Preferred Stock		44	33
Total Stocks		8,168	8,096

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Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, contracts, shares, par value or contract price)

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Schedule of Derivative Contracts

Forward Currency Contracts

Contract Price	Settlement Date	Purchased Currency		Sold Currency		Unrealized Gain (Loss)
		Currency	Value as at December 31	Currency	Value as at December 31	
1.3572	January 11, 2024	Canadian Dollar	2,001	United States Dollar	1,965	36
1.3596	January 11, 2024	Canadian Dollar	1,531	United States Dollar	1,502	29
1.3445	January 18, 2024	Canadian Dollar	3,188	United States Dollar	3,153	35
1.3463	January 18, 2024	Canadian Dollar	2,354	United States Dollar	2,326	28
1.3461	January 18, 2024	Canadian Dollar	1,642	United States Dollar	1,623	19
1.3601	January 24, 2024	Canadian Dollar	2,638	United States Dollar	2,586	52
1.3488	January 24, 2024	Canadian Dollar	1,948	United States Dollar	1,921	27
1.3688	February 4, 2024	Canadian Dollar	1,541	United States Dollar	1,503	38
1.3364	February 4, 2024	Canadian Dollar	4,885	United States Dollar	4,852	33
1.3643	February 8, 2024	Canadian Dollar	6,568	United States Dollar	6,423	145
1.3487	February 8, 2024	Canadian Dollar	4,385	United States Dollar	4,325	60
1.3408	February 8, 2024	Canadian Dollar	3,765	United States Dollar	3,730	35
1.3395	February 8, 2024	Canadian Dollar	2,785	United States Dollar	2,761	24
1.3398	February 8, 2024	Canadian Dollar	958	United States Dollar	950	8
1.3833	February 15, 2024	Canadian Dollar	3,604	United States Dollar	3,488	116
1.3824	February 15, 2024	Canadian Dollar	1,356	United States Dollar	1,313	43
Derivatives - Assets						728
0.7312	January 11, 2024	United States Dollar	1,783	Canadian Dollar	1,841	(58)
0.7303	January 18, 2024	United States Dollar	246	Canadian Dollar	254	(8)
0.7299	January 18, 2024	United States Dollar	914	Canadian Dollar	945	(31)
0.7226	January 24, 2024	United States Dollar	709	Canadian Dollar	741	(32)
0.7340	January 24, 2024	United States Dollar	1,398	Canadian Dollar	1,437	(39)
0.7344	February 8, 2024	United States Dollar	2,331	Canadian Dollar	2,397	(66)
Derivatives - Liabilities						(234)
Total Forward Currency Contracts						494

Futures Contracts

No. of Contracts	Average Contract Price	Futures Contracts	Maturity Date	Notional Amount	Price as at December 31	Unrealized Gain (Loss)
(17)	CAD 145.33	JPN 10YR BOND (OSE) 03-31-2024	March 31, 2024	JPY 2,494,070	CAD 146.71	54
72	CAD 110.46	CAN 5YR BOND 03-31-2024	March 31, 2024	CAD 8,114	CAD 112.69	12
25	CAD 109.33	US 10YR NOTE 03-31-2024	March 31, 2024	USD 2,822	CAD 112.89	-
Derivatives - Assets						66
26	CAD 122.78	US ULTRA BOND 03-31-2024	March 31, 2024	USD 3,473	CAD 133.59	(18)
Derivatives - Liabilities						(18)
Total Futures Contracts						48

Total Derivative Instruments at Fair Value

542

Total Investments

253,406

247,397

Fixed Income Fund (Laketon) SF019

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

Introduction

The objective of the Fixed Income Fund (Laketon) SF019 (the Fund) in managing risk is the creation and protection of contractholder value. Risk is inherent in the Fund's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. The process of risk management is critical to the Fund's continuing profitability. The Fund can be exposed to liquidity risk, market risk (which includes currency risk, interest rate risk and other price risk) and credit risk arising from the financial instruments it holds.

A. Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023, and groups the securities by asset type, geographic region and/or market segment. The following sections describe the significant risks that are relevant to the Fund.

To assist with managing risk, The Canada Life Assurance Company (Canada Life or the Company) maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and other regulations.

B. Liquidity Risk

Liquidity risk arises when a fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units by contractholders. The Fund retains sufficient cash and cash equivalent positions to maintain adequate liquidity to meet the obligation to fund daily cash redemptions of their redeemable units.

Some securities are illiquid due to legal restrictions on their resale, the nature of the investment, or simply a lack of interested buyers for a particular security or security type. Certain securities may become less liquid due to changes in market conditions, such as interest rate changes or market volatility, which could impair the ability of a fund to sell such securities quickly.

In accordance with the Fund's policy, the Company monitors the Fund's liquidity positions on a regular basis.

C. Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The classifications used on the Schedule of Investment Portfolio for the financial instruments are based on the country of issue.

Fixed Income Fund (Laketon) SF019

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

C. Currency Risk (continued)

The table below indicates the foreign currencies to which the Fund had significant exposure as at December 31, 2023 in Canadian dollar terms, including the underlying principal amount of forward currency contracts, if any. The table also illustrates the potential impact to the Fund's net assets attributable to contractholders, all other variables held constant, as a result of a 1% change in these currencies relative to the Canadian dollar. In practice, the actual results may differ from this sensitivity analysis and the difference could be significant.

2023

Currency	Investments	Cash, Short-term Deposits and Overdrafts	Total*	Impact on Net Assets Attributable to Contractholders
United States Dollar	\$ (1,572)	\$ 981	\$ (591)	\$ (6)
Other Currencies	—	(35)	(35)	—
Total	\$ (1,572)	\$ 946	\$ (626)	\$ (6)
As Percent of Net Assets Attributable to Contractholders			(0.2%)	—%

*Includes both monetary and non-monetary instruments

2022

Currency	Investments	Cash, Short-term Deposits and Overdrafts	Total*	Impact on Net Assets Attributable to Contractholders
United States Dollar	\$ (3,015)	\$ 3,111	\$ 96	\$ 1
Other Currencies	—	(36)	(36)	—
Total	\$ (3,015)	\$ 3,075	\$ 60	\$ 1
As Percent of Net Assets Attributable to Contractholders			—%	—%

*Includes both monetary and non-monetary instruments

D. Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund is exposed to the risk that the value of interest-bearing financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. Due to the nature of short-term fixed income securities with a remaining term-to-maturity of less than one year, these investments are not generally exposed to a significant risk that their value will fluctuate in response to changes in the prevailing levels of market interest rates. The risk is professionally managed at the security and fund level by the Company.

The table below summarizes the Fund's exposure to interest rate risk by remaining term-to-maturity.

2023

	1 year or less	Over 1 year to 5 years	Over 5 years to 10 years	Over 10 years	Total
Bonds	\$ 12,750	\$ 66,714	\$ 95,529	\$ 63,766	\$ 238,759

2022

	1 year or less	Over 1 year to 5 years	Over 5 years to 10 years	Over 10 years	Total
Bonds	\$ 3,461	\$ 68,950	\$ 99,602	\$ 68,877	\$ 240,890

Fixed Income Fund (Laketon) SF019

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

D. Interest Rate Risk (continued)

As at December 31, 2023, had prevailing interest rates increased or decreased by 1% assuming a parallel shift in the yield curve, with all other variables held constant, net assets attributable to contractholders would have decreased or increased, respectively, by approximately \$16,290 (\$17,998 at December 31, 2022) or approximately 6.4% (6.9% at December 31, 2022). The Fund's sensitivity to interest rate changes was estimated using the weighted average duration of the bond portfolio. In practice, the actual results may differ and the difference could be significant.

E. Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund's greatest concentration of credit risk is in debt securities, such as bonds. The fair value of debt instruments includes consideration of the creditworthiness of the debt issuer. The carrying amount of debt instruments represents the maximum credit risk exposure as at December 31, 2023. The amount of credit risk to any one issuer may be determined from the information reported in the Schedule of Investment Portfolio. The Fund may invest in short-term fixed income securities issued or guaranteed primarily by the Government of Canada or any Canadian provincial government, obligations of Canadian chartered banks or trust companies, and commercial paper with approved credit ratings. The risk of default on these short-term fixed income securities is considered low. The Company monitors credit risk and credit ratings on a regular basis. All new counterparties to financial instruments are subject to an approval process.

There was no change in fair values of financial liabilities as a result of changes in credit risks during 2023 or 2022.

All transactions in listed securities are settled and paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker.

Credit ratings disclosed below are obtained from independent rating agencies including DBRS, Standard & Poor's, Moody's Investors Service and Fitch Ratings. The lowest rating provided by the agencies is used.

Debt securities by credit rating are as follows:

	2023		2022	
	Percent of Total Bonds (%)	Percent of Total Net Assets Attributable to Contractholders (%)	Percent of Total Bonds (%)	Percent of Total Net Assets Attributable to Contractholders (%)
AAA	3.0	2.8	4.5	4.2
AA	29.0	27.0	28.3	26.1
A	33.8	31.5	33.4	30.9
BBB	26.1	24.3	27.6	25.6
BB and lower	7.8	7.3	5.9	5.4
NR *	0.3	0.2	0.3	0.3
Total	100.0	93.1	100.0	92.5

*Bonds disclosed as NR are mortgage backed securities or privately placed bonds or bonds that have not been rated by a rating agency.

Fixed Income Fund (Laketon) SF019

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

F. Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. The Fund Manager moderates this risk through careful selection of securities and other financial instruments within the parameters of the investment strategy. The maximum risk resulting from financial instruments is equivalent to their fair value.

For the Fund, the most significant exposure to other price risk arises from its investment in equity securities. As at December 31, 2023, had the prices on the respective stock exchanges for these securities increased or decreased by 1%, with all other variables held constant, assets would have increased (or decreased) by approximately \$81 (\$120 at December 31, 2022) or approximately 0.0% (0.0% at December 31, 2022) of total net assets attributable to contractholders. In practice, the actual results may differ and the difference could be significant.

G. Fair Value Classification

The following table presents information about the Fund's assets and liabilities measured at fair value on a recurring basis and indicates the fair value hierarchy of the valuation techniques utilized by the Fund to determine such fair value:

	2023			
	Assets and Liabilities Measured at Fair Value			
<u>Assets measured at fair value</u>	Level 1	Level 2	Level 3	Total
Bonds	\$ —	\$ 238,681	\$ 78	\$ 238,759
Stocks	8,096	—	—	8,096
Derivatives	66	728	—	794
Total assets measured at fair value	\$ 8,162	\$ 239,409	\$ 78	\$ 247,649
Liabilities measured at fair value				
Derivatives ⁽¹⁾	\$ 18	\$ 234	\$ —	\$ 252
Net assets attributable to contractholders measured at fair value	\$ 8,144	\$ 239,175	\$ 78	\$ 247,397

⁽¹⁾ Excludes collateral pledged to counterparties of \$793.

	2022			
	Assets and Liabilities Measured at Fair Value			
<u>Assets measured at fair value</u>	Level 1	Level 2	Level 3	Total
Bonds	\$ —	\$ 240,805	\$ 85	\$ 240,890
Stocks	11,971	—	—	11,971
Derivatives	121	46	—	167
Total assets measured at fair value	\$ 12,092	\$ 240,851	\$ 85	\$ 253,028
Liabilities measured at fair value				
Derivatives ⁽¹⁾	\$ —	\$ 894	\$ —	\$ 894
Net assets attributable to contractholders measured at fair value	\$ 12,092	\$ 239,957	\$ 85	\$ 252,134

⁽¹⁾ Excludes collateral pledged to counterparties of \$1,162.

There were no significant transfers between Level 1 and Level 2 during 2023 or 2022.

Fixed Income Fund (Laketon) SF019

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

G. Fair Value Classification (continued)

The following table presents additional information about assets measured at fair value on a recurring basis and for which the Fund has utilized Level 3 inputs to determine fair value:

	2023	2022
	Bonds	Bonds
Balance, beginning of year	\$ 85	\$ 32
Total gain (loss) included in net assets from operations attributable to contractholders	(7)	(3)
Purchases	—	56
Sales	—	—
Settlements	—	—
Transfers into Level 3	—	—
Transfers out of Level 3	—	—
Balance, end of year	\$ 78	\$ 85
Total gain (loss) for the year included in net gain (loss) on investments for Level 3 assets held at the end of year	\$ (7)	\$ (3)

Fixed Income Fund (Laketon) SF019

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance. Portfolio units are allocated to each category as described in note 3 and are not included on this page.

Net Assets Attributable to Contractholders by Category

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
Flex	26,636	31,697	36,798	44,770	48,754	4,452	5,082	6,812	8,689	8,884
Generations/Mosaic	792,497	912,192	1,091,352	1,266,721	1,360,049	13,200	14,576	20,133	24,501	24,697
Generations I	206,991	276,131	407,502	487,372	530,807	2,691	3,429	5,818	7,268	7,403
Generations II	42,355	50,267	67,046	83,239	92,631	519	589	904	1,173	1,221
Generations Core	92,501	123,142	159,672	184,035	201,001	1,155	1,467	2,185	2,629	2,684
75/75 guarantee policy	156,283	215,699	264,166	314,332	366,324	1,798	2,367	3,331	4,137	4,506
75/100 guarantee policy	632,578	767,297	876,954	1,063,871	1,299,716	7,221	8,366	10,992	13,928	15,913
100/100 guarantee policy	58,409	70,106	80,778	85,564	111,908	661	759	1,006	1,114	1,363
PS1 75/75 guarantee policy	95,660	119,119	131,480	152,577	194,287	1,071	1,265	1,594	1,917	2,267
PS1 75/100 guarantee policy	521,662	628,311	699,416	930,213	1,035,649	5,804	6,635	8,436	11,640	12,038
PS1 100/100 guarantee policy	27,599	57,217	77,188	122,203	97,565	302	596	919	1,511	1,122
PS2 75/75 guarantee policy	339,598	346,345	353,719	438,500	469,390	4,462	4,258	4,897	6,208	6,085
PS2 75/100 guarantee policy	288,903	311,235	392,354	489,303	520,844	3,796	3,827	5,432	6,928	6,752
PS2 100/100 guarantee policy	63,765	65,039	72,885	87,172	89,104	836	798	1,007	1,232	1,153
PS 75/75 guarantee policy	64	64	—	158	612	1	1	—	2	6
PS 75/100 guarantee policy	6,491	6,169	6,767	10,542	13,530	65	59	74	119	142
PPS 75/100 guarantee policy	6,662	6,702	16,904	43,164	43,442	69	66	188	496	461

Net Assets Attributable to Contractholders Per Unit (note 6)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
Flex	167.13	160.41	185.19	194.17	182.29	6.72	(24.78)
Generations/Mosaic	16.66	15.98	18.45	19.34	18.16	0.68	(2.47)
Generations I	13.00	12.42	14.28	14.91	13.95	0.58	(1.86)
Generations II	12.25	11.72	13.48	14.09	13.18	0.53	(1.76)
Generations Core	12.49	11.92	13.69	14.29	13.35	0.57	(1.77)
75/75 guarantee policy	11.50	10.98	12.61	13.16	12.30	0.52	(1.63)
75/100 guarantee policy	11.42	10.90	12.53	13.09	12.24	0.52	(1.63)
100/100 guarantee policy	11.32	10.82	12.45	13.02	12.18	0.50	(1.63)
PS1 75/75 guarantee policy	11.19	10.62	12.12	12.57	11.67	0.57	(1.50)
PS1 75/100 guarantee policy	11.13	10.56	12.06	12.51	11.62	0.57	(1.50)
PS1 100/100 guarantee policy	10.96	10.41	11.91	12.37	11.50	0.55	(1.50)
PS2 75/75 guarantee policy	13.14	12.30	13.84	14.16	12.96	0.84	(1.54)
PS2 75/100 guarantee policy	13.14	12.30	13.84	14.16	12.96	0.84	(1.54)
PS2 75/100 guarantee policy	13.12	12.27	13.82	14.13	12.94	0.85	(1.55)
PS 75/75 guarantee policy	10.05	9.54	—	11.32	10.52	0.51	(1.36)
PS 75/100 guarantee policy	10.02	9.51	10.88	11.30	10.51	0.51	(1.37)
PPS 75/100 guarantee policy	10.39	9.81	11.14	11.49	10.62	0.58	(1.33)

Fixed Income Fund (Laketon) SF019

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Fund is offered by The Canada Life Assurance Company.

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

Fixed Income Fund (Laketon) SF019

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

Fixed Income Fund (Laketon) SF019

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in fair value measurements in the notes to the Schedule of Investment Portfolio.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

Fixed Income Fund (Laketon) SF019

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Bonds and Stocks

Bonds and stocks are recorded at fair value determined with reference to closing quoted market prices, where the last traded price falls within the day's bid-ask spread, primarily provided by third party independent pricing sources. Fair values are determined on the basis of the closing price for a security on the recognized exchange on which it is principally traded at each reporting date. In circumstances where the last traded price is not within the bid-ask spread, the Company determines the point when the bid-ask spread that is most representative of fair value based on the specific facts and circumstances.

The fair value of unlisted securities is established using quotations determined by a major dealer in a particular security. Should the quoted value for a security, in the opinion of the Fund Manager, be inaccurate, unreliable, or not readily available, the value of the security is estimated using valuation techniques. Valuation techniques include the market approach (using recent arm's-length market transactions adjusted as necessary and reference to the current market value of another instrument that is substantially the same) and the income approach (discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible).

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Derivatives

Derivatives are classified and measured at fair value. Derivatives are valued using market transactions and other market evidence whenever possible, including market based inputs to models, broker or dealer quotations or alternative pricing sources with reasonable levels of transparency. When models are used, the selection of a particular model to value a derivative depends on the contractual terms of, and specific risks inherent in, the instrument, as well as the availability of pricing information in the market. The Company generally uses similar models to value similar instruments. Valuation models require a variety of inputs, including contractual terms, market prices and rates, yield curves, credit curves, measures volatility, prepayment rates and correlations of such inputs.

f) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

Fixed Income Fund (Laketon) SF019

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

g) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

Interest income on debt securities - included in the change in fair value of such investments and recorded on the accrual basis.

Dividend income - accrued as of the ex-dividend date and recorded on the accrual basis.

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

Miscellaneous income (loss)

Miscellaneous income (loss) generally includes the changes in foreign exchange rates between trade and settlement dates, foreign exchange rates on bank balances, securities lending income, derivative income, and management fee rebates.

h) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Fixed Income Fund (Laketon) SF019

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

i) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

j) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

k) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

l) Income Allocation

Net gain (loss) on investments, which includes dividend income, interest income, realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the net asset value (NAV) per unit.

m) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

n) Transaction Costs

Transaction costs, such as brokerage commissions, incurred in the purchase and sale of securities by the Fund are charged to expenses in the year.

Fixed Income Fund (Laketon) SF019

Notes to the Financial Statements

(in Canadian \$ thousands)

3. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Emperor,
- Flex,
- Generations/Mosaic,
- Generations I,
- Generations II,
- Generations Core,
- Prestige/Prestige Plus, and
- Private Collections.

In addition to the Individual units, units are available for:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

Portfolio units are those units owned by the Asset Allocation Funds. Each Portfolio fund is represented by a separate category.

The categories of units, and the various levels within each, are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

4. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

Fixed Income Fund (Laketon) SF019

Notes to the Financial Statements

(in Canadian \$ thousands)

5. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

6. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

7. DERIVATIVE FINANCIAL INSTRUMENTS

Derivative contracts, including forward currency, futures and equity swap contracts, are valued at the gain or loss that would arise as a result of closing the position at the reporting date. Options are recorded at fair value as at the reporting date. The Fund may use derivative contracts to hedge against losses caused by changes in securities prices, interest rates, exchange rates and/or other risks. The Fund may also use derivative contracts for non-hedging purposes in order to invest indirectly in financial markets or to gain exposure to other currencies, provided the use of such derivatives is consistent with the Fund's investment objectives and strategies. Foreign currency risk and exposure may be direct or indirect and can include all or a portion of the currency exposure of an existing investment or group of investments. Any such gain or loss on derivative contracts is recorded as part of net gain (loss) on investments.

As at the reporting date, the unrealized gain (loss) on derivative contracts is reflected on the Statement of Financial Position of the Fund.

The Fund manages derivative credit risk through collateral arrangements where required. The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are implemented by the Fund regarding the acceptability of types of collateral and the valuation parameters. The Fund Manager monitors the value of the collateral and requests additional collateral when needed.

Fixed Income Fund (Laketon) SF019

Notes to the Financial Statements

(in Canadian \$ thousands)

8. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.
- c) The Fund invests in assets or underlying funds managed by Mackenzie Financial Corporation, which operates as Mackenzie Investments. All investment transactions with the corresponding underlying funds are at quoted market prices.

Fixed Income Fund (Laketon) SF019

Supplemental Information (unaudited)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾

For the years ended December 31	2023	2022	2021	2020	2019
Flex	2.49	2.50	2.50	2.50	2.50
Generations/Mosaic	2.49	2.50	2.50	2.50	2.50
Generations I	2.05	2.09	2.11	2.11	2.11
Generations II	2.16	2.17	2.17	2.17	2.17
Generations Core	1.94	2.00	2.06	2.06	2.06
75/75 guarantee policy	1.94	2.00	2.06	2.06	2.06
75/100 guarantee policy	2.05	2.08	2.11	2.11	2.11
100/100 guarantee policy	2.16	2.17	2.17	2.17	2.17
PS1 75/75 guarantee policy	1.38	1.38	1.38	1.38	1.38
PS1 75/100 guarantee policy	1.43	1.43	1.43	1.43	1.43
PS1 100/100 guarantee policy	1.54	1.55	1.55	1.54	1.54
PS 75/75 guarantee policy	1.40	1.44	—	1.50	1.50
PS 75/100 guarantee policy	1.50	1.53	1.57	1.56	1.56
PPS 75/100 guarantee policy	0.88	0.90	0.88	0.88	0.88

Portfolio Turnover Rate (%) ⁽²⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	72.20	96.75	91.49	79.49	80.90

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
MONEY MARKET FUND (LAKETON) SF029

December 31, 2023

Independent Auditor's Report

To the Contractholders of Money Market Fund (Laketon) SF029 (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

Money Market Fund (Laketon) SF029

(in Canadian \$ thousands)

Fund Manager: Mackenzie Investments

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash	\$ 53,533	\$ 54,337
Investment income due and accrued	1,329	491
Due from The Canada Life Assurance Company (note 7)	694	—
Due from brokers	—	—
Due from outside parties	—	—
Investments		
Bonds	648,467	483,241
Stocks	—	—
Investment fund units	—	—
Total investments	648,467	483,241
Total assets	\$ 704,023	\$ 538,069
Liabilities		
Overdrafts	\$ —	\$ —
Due to The Canada Life Assurance Company (note 7)	—	231
Due to brokers	—	—
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	—	231
Net assets attributable to contractholders	\$ 704,023	\$ 537,838

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 29,658	\$ 10,334
Miscellaneous income (loss)	7	19
Total income (loss)	29,665	10,353
Expenses		
Management fees (note 7)	5,886	3,520
Transaction costs	—	—
Withholding taxes	—	—
Other	637	387
Total expenses	6,523	3,907
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 23,142	\$ 6,446

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year		
Contractholder deposits	\$ 449,491	\$ 524,737
Contractholder withdrawals	(306,448)	(345,886)
Increase (decrease) in net assets from operations attributable to contractholders	23,142	6,446
Change in net assets attributable to contractholders	166,185	185,297
Net assets attributable to contractholders - end of year	\$ 704,023	\$ 537,838

Money Market Fund (Laketon) SF029

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 23,142	\$ 6,446
Adjustments		
Add back amortization of premium (discount)	(19,301)	(4,646)
Realized (gains) losses	(6)	15
Unrealized (gains) losses	—	—
Gross proceeds of disposition of investments	4,419,528	2,942,452
Gross payments for the purchase of investments	(4,565,447)	(3,119,788)
Change in investment income due and accrued	(838)	(67)
Change in due from/to The Canada Life Assurance Company	(925)	(88)
Change in due from/to brokers	—	—
Change in due from/to outside parties	—	—
	<u>(143,847)</u>	<u>(175,676)</u>
Financing Activities		
Contractholder deposits	449,491	524,737
Contractholder withdrawals	(306,448)	(345,886)
	<u>143,043</u>	<u>178,851</u>
Net increase (decrease) in cash and overdrafts	(804)	3,175
Cash and overdrafts, beginning of year	54,337	51,162
Cash and overdrafts, end of year	\$ 53,533	\$ 54,337
Supplementary cash flow information		
Interest income received	\$ 9,477	\$ 5,623

Money Market Fund (Laketon) SF029

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or Par Value	Average Cost	Fair Value
Canadian Bonds			
Municipal Governments			
City of Toronto 3.40% 05-21-2024	1,500,000	1,481	1,488
Total Municipal Governments		1,481	1,488
Corporate - Non-convertible			
407 International Inc. 3.35% 05-16-2024	6,650,000	6,574	6,598
AIMCo Realty Investors LP 2.266% 06-26-2024	19,712,000	19,246	19,406
AltaLink LP 3.399% 06-06-2024	1,900,000	1,875	1,883
Bank of Montreal Floating Rate 03-27-2024	6,000,000	6,000	6,000
Bank of Montreal Floating Rate 09-19-2024	12,000,000	12,000	12,000
BCI QuadReal Realty 1.056% 03-12-2024	12,865,000	12,561	12,756
Canadian Imperial Bank of Commerce Floating Rate 03-27-2024	6,000,000	6,000	6,000
Ivanhoe Cambridge II Inc. 2.296% 12-12-2024	2,090,000	2,033	2,035
Lower Mattagami Energy LP 3.42% 06-20-2024	1,930,000	1,903	1,911
National Bank of Canada Floating Rate 02-07-2024	32,400,000	32,400	32,399
National Bank of Canada Floating Rate 10-21-2024	8,000,000	8,000	8,000
NAV CANADA 0.555% 02-09-2024	1,000,000	991	995
OMERS Realty Corp. 2.86% 02-23-2024	13,062,000	12,837	13,021
OMERS Realty Corp. 3.328% 11-12-2024	2,500,000	2,452	2,457
Royal Bank of Canada 2.352% 07-02-2024	13,200,000	12,860	12,987
Royal Bank of Canada 2.609% 11-01-2024	22,500,000	21,978	22,014
Royal Bank of Canada Floating Rate 03-26-2024	13,170,000	13,170	13,170
The Bank of Nova Scotia Floating Rate 03-28-2024	22,000,000	22,000	21,999
The Toronto-Dominion Bank 2.85% 03-08-2024	28,120,000	27,725	27,981
The Toronto-Dominion Bank Floating Rate 01-31-2025	20,000,000	19,990	19,994
The Toronto-Dominion Bank Floating Rate 10-18-2024	6,500,000	6,500	6,500
TMX Group Ltd. 2.997% 12-11-2024	5,710,000	5,592	5,596
Total Corporate - Non-convertible		254,687	255,702
Total Canadian Bonds		256,168	257,190
United States Bonds			
Corporate - Non-convertible			
Apple Inc. 2.513% 08-19-2024	4,680,000	4,587	4,601
Athene Global Funding 1.25% 04-09-2024	12,170,000	11,975	12,023
Athene Global Funding Floating Rate 04-09-2024	4,488,000	4,471	4,481

Money Market Fund (Laketon) SF029

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or <u>Par Value</u>	Average <u>Cost</u>	Fair <u>Value</u>
United States Bonds (continued)			
Corporate - Non-convertible (continued)			
PACCAR Financial Corp. 0.985% 05-14-2024	5,250,000	5,133	5,167
PepsiCo Inc. 2.15% 05-06-2024	1,160,000	1,143	1,148
Total Corporate - Non-convertible		27,309	27,420
Total United States Bonds		27,309	27,420
Short Term Notes			
Alectra Inc. 5.149% 01-15-2024	1,000,000	996	998
Alectra Inc. 5.175% 01-03-2024	3,000,000	2,988	2,998
Alectra Inc. 5.175% 01-09-2024	3,200,000	3,187	3,195
AltaLink LP 5.143% 01-02-2024	8,000,000	7,988	7,997
CDP Financial Inc. 4.985% 06-10-2024	3,200,000	3,127	3,129
CDP Financial Inc. 5.009% 05-28-2024	8,000,000	7,810	7,835
Central 1 Credit Union 5.09% 06-04-2024	4,320,000	4,212	4,225
Central 1 Credit Union 5.098% 06-04-2024	3,740,000	3,646	3,658
Central 1 Credit Union 5.163% 03-21-2024	2,750,000	2,715	2,718
Central 1 Credit Union 5.221% 01-03-2024	6,750,000	6,661	6,746
Central 1 Credit Union 5.28% 01-25-2024	1,700,000	1,678	1,694
Central 1 Credit Union 5.281% 01-30-2024	2,100,000	2,072	2,091
City of Edmonton 5.074% 03-15-2024	1,590,000	1,570	1,573
City Of Montreal 5.099% 02-29-2024	1,500,000	1,479	1,487
City Of Montreal 5.102% 02-29-2024	7,650,000	7,552	7,585
City Of Montreal 5.105% 02-29-2024	2,259,000	2,235	2,240
City Of Montreal 5.106% 02-29-2024	8,000,000	7,898	7,932
City Of Montreal 5.142% 02-29-2024	1,290,000	1,273	1,279
City of Vancouver 5.154% 03-13-2024	5,000,000	4,936	4,948
City of Vancouver 5.165% 03-04-2024	2,540,000	2,509	2,517
City of Vancouver 5.221% 02-07-2024	5,000,000	4,934	4,972
City of Vancouver 5.237% 03-06-2024	5,840,000	5,739	5,784
City of Vancouver 5.288% 02-01-2024	870,000	859	866
Enbridge Pipelines Inc. 5.177% 01-02-2024	12,790,000	12,783	12,785
Energir Inc. 5.08% 01-04-2024	1,550,000	1,542	1,549
Energir Inc. 5.089% 01-15-2024	800,000	796	798

Money Market Fund (Laketon) SF029

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or <u>Par Value</u>	Average <u>Cost</u>	Fair <u>Value</u>
Short Term Notes (continued)			
Energir Inc. 5.099% 01-15-2024	1,000,000	995	998
Energir Inc. 5.11% 01-08-2024	2,640,000	2,626	2,637
Energir Inc. 5.11% 01-09-2024	930,000	925	929
Energir Inc. 5.119% 01-30-2024	1,880,000	1,869	1,872
Energir Inc. 5.121% 01-22-2024	5,800,000	5,772	5,781
Energir Inc. 5.123% 01-16-2024	1,200,000	1,195	1,197
EPCOR Utilities Inc. 5.138% 01-11-2024	4,090,000	4,083	4,083
First Nations Finance Authority 5.175% 01-25-2024	1,730,000	1,723	1,724
Greater Toronto Airports Authority 5.187% 01-16-2024	3,210,000	3,195	3,202
Greater Toronto Airports Authority 5.187% 01-17-2024	3,000,000	2,986	2,992
HSBC Bank Canada 5.166% 03-22-2024	5,000,000	4,941	4,941
HSBC Bank Canada 5.186% 03-18-2024	2,000,000	1,975	1,978
HSBC Bank Canada 5.195% 02-20-2024	10,500,000	10,410	10,422
HSBC Bank Canada 5.202% 02-29-2024	5,600,000	5,527	5,551
HSBC Bank Canada 5.312% 01-26-2024	8,000,000	7,901	7,969
Hydro Ottawa Holding Inc. 5.134% 01-17-2024	8,000,000	7,931	7,980
Intact Financial Corp. 5.128% 01-18-2024	1,280,000	1,276	1,277
Intact Financial Corp. 5.136% 01-16-2024	1,600,000	1,594	1,596
Lower Mattagami Energy Ltd. 5.182% 02-08-2024	1,770,000	1,747	1,760
Lower Mattagami Energy Ltd. 5.188% 01-18-2024	3,710,000	3,680	3,700
Mercedes-Benz Group AG 5.201% 01-18-2024	1,000,000	995	997
Mercedes-Benz Group AG 5.21% 01-16-2024	4,020,000	4,001	4,010
MUFG Bank Ltd. 5.27% 02-02-2024	5,000,000	4,934	4,975
MUFG Bank Ltd. 5.339% 01-25-2024	12,000,000	11,840	11,954
Nestle Capital Canada Ltd. 5.09% 01-25-2024	4,790,000	4,753	4,773
Nestle Capital Canada Ltd. 5.102% 02-01-2024	7,980,000	7,932	7,943
Nestle Capital Canada Ltd. 5.11% 01-09-2024	4,500,000	4,466	4,494
Province of Alberta 4.943% 06-05-2024	4,770,000	4,660	4,668
Province of Newfoundland and Labrador 5.074% 02-22-2024	2,700,000	2,670	2,680
Province of Newfoundland and Labrador 5.074% 03-07-2024	5,500,000	5,430	5,448
Province of Newfoundland and Labrador 5.078% 02-12-2024	5,310,000	5,244	5,277
Province of Newfoundland and Labrador 5.078% 03-04-2024	10,200,000	10,072	10,108
Province of Newfoundland and Labrador 5.086% 03-28-2024	8,970,000	8,856	8,859
Province of Newfoundland and Labrador 5.106% 01-25-2024	3,075,000	3,038	3,064
Province of Newfoundland and Labrador 5.127% 01-18-2024	1,340,000	1,324	1,336
Province of Newfoundland and Labrador 5.127% 01-22-2024	1,930,000	1,906	1,924
Province of Newfoundland and Labrador 5.134% 01-18-2024	1,000,000	987	997

Money Market Fund (Laketon) SF029

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or Par Value	Average Cost	Fair Value
Short Term Notes (continued)			
Province of Newfoundland and Labrador 5.158% 01-08-2024	6,200,000	6,126	6,192
Province of Prince Edward Island 5.071% 02-27-2024	9,300,000	9,190	9,224
Province of Prince Edward Island 5.078% 03-05-2024	2,170,000	2,143	2,150
Province of Prince Edward Island 5.078% 03-19-2024	1,500,000	1,481	1,483
Province of Prince Edward Island 5.134% 01-23-2024	1,790,000	1,767	1,784
Province of Prince Edward Island 5.157% 01-09-2024	6,000,000	5,928	5,992
Royal Bank of Canada 5.122% 03-20-2024	9,500,000	9,379	9,392
Sumitomo Mitsui Inc. 5.162% 06-07-2024	12,200,000	11,884	11,924
Sumitomo Mitsui Trust Bank Ltd. 5.327% 01-26-2024	7,470,000	7,371	7,441
The Bank of Nova Scotia 5.183% 01-11-2024	2,000,000	1,991	1,997
The Bank of Nova Scotia 5.266% 01-17-2024	11,760,000	11,617	11,729
TMX Group Ltd. 5.103% 01-11-2024	4,720,000	4,688	4,712
TMX Group Ltd. 5.117% 01-23-2024	3,730,000	3,704	3,717
Toronto Hydro Corp. 5.11% 01-03-2024	6,070,000	6,064	6,067
Toyota Credit Canada Inc. 5.039% 08-27-2024	4,630,000	4,461	4,476
Toyota Credit Canada Inc. 5.181% 06-05-2024	3,360,000	3,259	3,285
Toyota Credit Canada Inc. 5.287% 05-01-2024	5,290,000	5,104	5,196
Toyota Credit Canada Inc. 5.325% 05-22-2024	7,560,000	7,267	7,401
Total Short Term Notes		362,068	363,857
Total Bonds		645,545	648,467
Total Investments		645,545	648,467

Money Market Fund (Laketon) SF029

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

Introduction

The objective of the Money Market Fund (Laketon) SF029 (the Fund) in managing risk is the creation and protection of contractholder value. Risk is inherent in the Fund's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. The process of risk management is critical to the Fund's continuing profitability. The Fund can be exposed to liquidity risk, market risk (which includes currency risk, interest rate risk and other price risk) and credit risk arising from the financial instruments it holds.

A. Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023, and groups the securities by asset type, geographic region and/or market segment. The following sections describe the significant risks that are relevant to the Fund.

To assist with managing risk, The Canada Life Assurance Company (Canada Life or the Company) maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and other regulations.

B. Liquidity Risk

Liquidity risk arises when a fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units by contractholders. The Fund retains sufficient cash and cash equivalent positions to maintain adequate liquidity to meet the obligation to fund daily cash redemptions of their redeemable units.

Some securities are illiquid due to legal restrictions on their resale, the nature of the investment, or simply a lack of interested buyers for a particular security or security type. Certain securities may become less liquid due to changes in market conditions, such as interest rate changes or market volatility, which could impair the ability of a fund to sell such securities quickly.

In accordance with the Fund's policy, the Company monitors the Fund's liquidity positions on a regular basis.

C. Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund is exposed to the risk that the value of interest-bearing financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. Due to the nature of short-term fixed income securities with a remaining term-to-maturity of less than one year, these investments are not generally exposed to a significant risk that their value will fluctuate in response to changes in the prevailing levels of market interest rates. The risk is professionally managed at the security and fund level by the Company.

The table below summarizes the Fund's exposure to interest rate risk by remaining term-to-maturity.

2023					
	1 year or less ⁽¹⁾	Over 1 year to 5 years	Over 5 years to 10 years	Over 10 years	Total
Bonds	\$ 628,473	\$ 19,994	\$ —	\$ —	\$ 648,467

2022					
	1 year or less ⁽¹⁾	Over 1 year to 5 years	Over 5 years to 10 years	Over 10 years	Total
Bonds	\$ 465,241	\$ 18,000	\$ —	\$ —	\$ 483,241

⁽¹⁾ For presentation purposes, short-term notes are included in Bonds on the Statement of Financial Position.

Money Market Fund (Laketon) SF029

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

C. Interest Rate Risk (continued)

As at December 31, 2023 and 2022, a 1% increase or 1% decrease in the prevailing interest rates, with all other variables held constant, would have no impact on the total net assets attributable to contractholders. In practice, the actual results may differ and the difference could be significant.

D. Fair Value Classification

The following table presents information about the Fund's assets measured at fair value on a recurring basis and indicates the fair value hierarchy of the valuation techniques utilized by the Fund to determine such fair value:

<u>Assets measured at fair value</u>	2023			
	Assets Measured at Fair Value			Total
	Level 1	Level 2	Level 3	
Bonds	\$ —	\$ 648,467	\$ —	\$ 648,467
Total assets measured at fair value	\$ —	\$ 648,467	\$ —	\$ 648,467

<u>Assets measured at fair value</u>	2022			
	Assets Measured at Fair Value			Total
	Level 1	Level 2	Level 3	
Bonds	\$ —	\$ 483,241	\$ —	\$ 483,241
Total assets measured at fair value	\$ —	\$ 483,241	\$ —	\$ 483,241

There were no significant transfers between Level 1 and Level 2 during 2023 or 2022.

Money Market Fund (Laketon) SF029

(in Canadian \$, except number of units outstanding)

The following table shows selected key financial information about the Fund and is intended to help users of the financial statements understand the Fund's financial performance. Portfolio units are allocated to each category as described in note 3 and are not included on this page.

Net Assets Attributable to Contractholders by Category

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
Emperor	—	47	47	47	258	—	4	4	4	22
Flex	60,751	71,135	66,581	79,170	85,013	5,434	6,151	5,701	6,770	7,263
Generations/Mosaic	1,055,009	1,230,283	1,422,769	1,813,655	1,624,424	14,061	15,852	18,155	23,113	20,682
Generations I	358,604	420,781	472,308	723,231	567,680	4,079	4,616	5,126	7,839	6,144
Generations II	132,983	135,480	181,481	272,829	132,802	1,447	1,422	1,885	2,831	1,376
Generations Core	142,295	214,917	301,532	326,587	420,896	1,551	2,259	3,135	3,392	4,365
Prestige/Prestige Plus	—	1,621	81	90	99	—	139	7	8	8
75/75 guarantee policy	10,886,848	7,881,340	4,964,130	5,484,265	2,339,749	116,311	81,202	50,597	55,826	23,783
75/100 guarantee policy	18,381,639	14,444,468	8,975,136	9,781,376	3,556,350	196,302	148,762	91,442	99,527	36,135
100/100 guarantee policy	1,026,766	921,423	705,992	961,229	351,181	10,946	9,476	7,184	9,769	3,564
PS1 75/75 guarantee policy	8,656,905	5,371,039	3,038,471	2,427,565	1,173,070	93,666	55,862	31,202	24,896	12,004
PS1 75/100 guarantee policy	15,736,887	12,527,349	7,499,375	7,356,986	2,598,186	169,688	129,919	76,817	75,260	26,523
PS1 100/100 guarantee policy	788,592	1,094,170	860,287	635,242	505,817	8,452	11,285	8,766	6,465	5,138
PS2 75/75 guarantee policy	1,558,703	977,248	762,166	556,767	98,109	18,567	11,078	8,448	6,125	1,067
PS2 75/100 guarantee policy	1,767,334	1,547,555	863,613	633,141	410,635	21,070	17,556	9,578	6,965	4,464
PS2 100/100 guarantee policy	133,972	193,811	295,531	369,980	559,622	1,591	2,190	3,263	4,050	6,052
PS 75/75 guarantee policy	296,009	340,577	127,638	168,030	174,644	3,189	3,527	1,303	1,711	1,769
PS 75/100 guarantee policy	661,943	830,466	392,629	402,146	42,441	7,131	8,600	4,008	4,095	430
PS 100/100 guarantee policy	107	414	—	—	260	1	4	—	—	3
PPS 75/75 guarantee policy	679,889	387,384	337,075	397,243	8,635	7,378	4,030	3,451	4,056	88
PPS 75/100 guarantee policy	693,063	787,068	604,166	665,795	22,160	7,511	8,179	6,181	6,794	225
PPS 100/100 guarantee policy	40,513	2	17,216	53,762	—	464	—	176	548	—
75/75 Constellation	6,284	6,343	11,753	13,628	—	67	65	118	137	—
75/100 Constellation	20,541	3,889	3,265	29,926	—	218	40	33	301	—
100/100 Constellation	—	—	5,417	4,306	—	—	—	55	43	—

Money Market Fund (Laketon) SF029

(in Canadian \$, except number of units outstanding)

The following table shows selected key financial information about the Fund and is intended to help users of the financial statements understand the Fund's financial performance. Portfolio units are allocated to each category as described in note 3 and are not included on this page.

Net Assets Attributable to Contractholders Per Unit (note 6)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
Emperor	—	87.85	87.18	87.06	86.99	—	0.67
Flex	89.44	86.47	85.63	85.52	85.44	2.97	0.84
Generations/Mosaic	13.33	12.89	12.76	12.74	12.73	0.44	0.13
Generations I	11.37	10.97	10.85	10.84	10.82	0.40	0.12
Generations II	10.88	10.50	10.39	10.38	10.36	0.38	0.11
Generations Core	10.90	10.51	10.40	10.39	10.37	0.39	0.11
Prestige/Prestige Plus	—	85.49	84.93	84.81	84.75	—	0.56
75/75 guarantee policy	10.68	10.30	10.19	10.18	10.16	0.38	0.11
75/100 guarantee policy	10.68	10.30	10.19	10.18	10.16	0.38	0.11
100/100 guarantee policy	10.66	10.28	10.18	10.16	10.15	0.38	0.10
PS1 75/75 guarantee policy	10.82	10.40	10.27	10.26	10.23	0.42	0.13
PS1 75/100 guarantee policy	10.78	10.37	10.24	10.23	10.21	0.41	0.13
PS1 100/100 guarantee policy	10.72	10.31	10.19	10.18	10.16	0.41	0.12
PS2 75/75 guarantee policy	11.91	11.34	11.08	11.00	10.88	0.57	0.26
PS2 75/100 guarantee policy	11.92	11.34	11.09	11.00	10.87	0.58	0.25
PS2 100/100 guarantee policy	11.87	11.30	11.04	10.95	10.81	0.57	0.26
PS 75/75 guarantee policy	10.77	10.36	10.21	10.18	10.13	0.41	0.15
PS 75/100 guarantee policy	10.77	10.36	10.21	10.18	10.13	0.41	0.15
PS 100/100 guarantee policy	10.76	10.34	—	—	10.12	0.42	0.14
PPS 75/75 guarantee policy	10.85	10.40	10.24	10.21	10.15	0.45	0.16
PPS 75/100 guarantee policy	10.84	10.39	10.23	10.20	10.15	0.45	0.16
PPS 100/100 guarantee policy	11.45	11.06	10.22	10.19	—	0.39	0.84
75/75 Constellation	10.60	10.20	10.06	10.04	—	0.40	0.14
75/100 Constellation	10.61	10.21	10.07	10.04	—	0.40	0.14
100/100 Constellation	—	—	10.06	10.04	—	—	—

Money Market Fund (Laketon) SF029

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Fund is offered by The Canada Life Assurance Company.

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

Money Market Fund (Laketon) SF029

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

Money Market Fund (Laketon) SF029

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in fair value measurements in the notes to the Schedule of Investment Portfolio.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

Money Market Fund (Laketon) SF029

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Bonds

Bonds are recorded at fair value determined with reference to closing quoted market prices, where the last traded price falls within the day's bid-ask spread, primarily provided by third party independent pricing sources. Fair values are determined on the basis of the closing price for a security on the recognized exchange on which it is principally traded at each reporting date. In circumstances where the last traded price is not within the bid-ask spread, the Company determines the point when the bid-ask spread that is most representative of fair value based on the specific facts and circumstances.

The fair value of unlisted securities is established using quotations determined by a major dealer in a particular security. Should the quoted value for a security, in the opinion of the Fund Manager, be inaccurate, unreliable, or not readily available, the value of the security is estimated using valuation techniques. Valuation techniques include the market approach (using recent arm's-length market transactions adjusted as necessary and reference to the current market value of another instrument that is substantially the same) and the income approach (discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible).

d) Cash and Overdrafts

Cash and overdrafts are comprised of cash on deposit and overdrafts in the bank. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

Interest income on debt securities - included in the change in fair value of such investments and recorded on the accrual basis.

Money Market Fund (Laketon) SF029

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

Miscellaneous income (loss)

Miscellaneous income (loss) generally includes the changes in foreign exchange rates between trade and settlement dates, foreign exchange rates on bank balances, securities lending income, derivative income, and management fee rebates.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

Money Market Fund (Laketon) SF029

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

k) Income Allocation

Net gain (loss) on investments, which includes interest income, realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the net asset value (NAV) per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

m) Transaction Costs

Transaction costs, such as brokerage commissions, incurred in the purchase and sale of securities by the Fund are charged to expenses in the year.

Money Market Fund (Laketon) SF029

Notes to the Financial Statements

(in Canadian \$ thousands)

3. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Emperor,
- Flex,
- Generations/Mosaic,
- Generations I,
- Generations II,
- Generations Core,
- Prestige/Prestige Plus, and
- Private Collections.

In addition to the Individual units, units are available for:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S1C 75/75 Constellation IC Wealth,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S2C 75/75 Constellation IC Wealth,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy,
- Option S3HF PPS 100/100 guarantee policy, and
- Option S3C 75/75 Constellation IC Wealth.

Portfolio units are those units owned by the Asset Allocation Funds. Each Portfolio fund is represented by a separate category.

The categories of units, and the various levels within each, are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

Money Market Fund (Laketon) SF029

Notes to the Financial Statements

(in Canadian \$ thousands)

4. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

5. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

6. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

Money Market Fund (Laketon) SF029

Notes to the Financial Statements

(in Canadian \$ thousands)

7. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.
- c) The Fund invests in assets or underlying funds managed by Mackenzie Financial Corporation, which operates as Mackenzie Investments. All investment transactions with the corresponding underlying funds are at quoted market prices.

Money Market Fund (Laketon) SF029

Supplemental Information *(unaudited)*

The following table shows selected key financial information about the Fund and is intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾

For the years ended December 31	2023	2022	2021	2020	2019
Emperor	—	1.58	0.02	0.92	1.68
Flex	1.56	1.10	0.13	0.71	1.45
Generations/Mosaic	1.56	1.07	0.13	0.70	1.45
Generations I	1.34	0.96	0.13	0.63	1.34
Generations II	1.39	0.97	0.13	0.63	1.38
Generations Core	1.34	0.95	0.13	0.69	1.33
Prestige/Prestige Plus	—	1.58	0.02	0.92	1.68
75/75 guarantee policy	1.32	1.02	0.13	0.57	1.33
75/100 guarantee policy	1.32	1.03	0.13	0.57	1.33
100/100 guarantee policy	1.35	1.02	0.13	0.57	1.38
PS1 75/75 guarantee policy	0.99	0.85	0.13	0.52	0.99
PS1 75/100 guarantee policy	1.05	0.87	0.13	0.52	1.04
PS1 100/100 guarantee policy	1.11	0.88	0.13	0.58	1.10
PS 75/75 guarantee policy	0.99	0.77	—	0.31	0.88
PS 75/100 guarantee policy	0.99	0.73	—	0.14	0.88
PS 100/100 guarantee policy	1.06	0.64	—	—	0.95
PPS 75/75 guarantee policy	0.71	0.46	—	0.05	0.71
PPS 75/100 guarantee policy	0.76	0.52	—	0.11	0.76
PPS 100/100 guarantee policy	0.78	0.47	—	0.11	—
75/75 Constellation	1.09	0.54	—	0.24	—
75/100 Constellation	1.14	0.59	—	0.29	—
100/100 Constellation	—	—	—	0.15	—

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

Money Market Fund (Laketon) SF029

Supplemental Information *(unaudited)*

The following table shows selected key financial information about the Fund and is intended to help users of the financial statements understand the Fund's financial performance.

Unsubsidized Management Expense Ratio (%) ⁽¹⁾

For the years ended December 31	2023	2022	2021	2020	2019
Emperor	—	2.26	2.39	2.23	2.18
Flex	1.56	1.57	1.56	1.55	1.55
Generations/Mosaic	1.56	1.57	1.56	1.55	1.55
Generations I	1.34	1.35	1.34	1.33	1.34
Generations II	1.39	1.40	1.39	1.37	1.38
Generations Core	1.34	1.35	1.34	1.33	1.33
Prestige/Prestige Plus	—	2.26	2.39	2.23	2.18
75/75 guarantee policy	1.35	1.34	1.34	1.33	1.33
75/100 guarantee policy	1.35	1.35	1.34	1.33	1.33
100/100 guarantee policy	1.39	1.39	1.39	1.37	1.38
PS1 75/75 guarantee policy	0.99	1.00	1.00	0.98	0.99
PS1 75/100 guarantee policy	1.05	1.06	1.05	1.04	1.04
PS1 100/100 guarantee policy	1.11	1.11	1.11	1.09	1.10
PS 75/75 guarantee policy	1.07	1.07	1.07	1.06	1.06
PS 75/100 guarantee policy	1.07	1.07	1.07	1.06	1.06
PS 100/100 guarantee policy	1.12	1.12	—	—	1.10
PPS 75/75 guarantee policy	0.73	0.72	0.72	0.71	0.71
PPS 75/100 guarantee policy	0.78	0.78	0.77	0.77	0.76
PPS 100/100 guarantee policy	0.83	0.84	0.83	0.82	—
75/75 Constellation	1.18	1.18	1.18	1.17	—
75/100 Constellation	1.18	1.18	1.18	1.17	—
100/100 Constellation	—	—	1.23	1.22	—

(1) The waiving of direct expenses to the segregated funds is done on a discretionary basis to maintain management expense ratios at competitive levels. There is no obligation on the Company to waive expenses and it may cease to do so at any time. The following waived expenses were part of a one-time event: in 2019, 0.09 percentage points of the waived expenses for Flex and 0.09 percentage points of the waived expenses for Generations/Mosaic.

Financial Statements of

**THE CANADA LIFE ASSURANCE COMPANY
GLOBAL EQUITY FUND SF034**

December 31, 2023

Independent Auditor's Report

To the Contractholders of Global Equity Fund SF034 (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

Global Equity Fund SF034

(in Canadian \$ thousands)

Fund Manager: Setanta Asset Management Limited

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ 3,214	\$ 1,975
Investment income due and accrued	235	125
Due from The Canada Life Assurance Company (note 7)	10	—
Due from brokers	7	491
Due from outside parties	20	20
Investments		
Bonds	—	—
Stocks	143,182	140,378
Investment fund units	—	—
Total investments	143,182	140,378
Total assets	\$ 146,668	\$ 142,989
Liabilities		
Overdrafts	\$ —	\$ —
Due to The Canada Life Assurance Company (note 7)	—	579
Due to brokers	—	—
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	—	579
Net assets attributable to contractholders	\$ 146,668	\$ 142,410

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 18,840	\$ (10,813)
Miscellaneous income (loss)	79	37
Total income (loss)	18,919	(10,776)
Expenses		
Management fees (note 7)	2,767	2,760
Transaction costs	19	29
Withholding taxes	377	348
Other	278	277
Total expenses	3,441	3,414
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 15,478	\$ (14,190)

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year	\$ 142,410	\$ 155,616
Contractholder deposits	14,638	14,628
Contractholder withdrawals	(25,858)	(13,644)
Increase (decrease) in net assets from operations attributable to contractholders	15,478	(14,190)
Change in net assets attributable to contractholders	4,258	(13,206)
Net assets attributable to contractholders - end of year	\$ 146,668	\$ 142,410

Global Equity Fund SF034

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 15,478	\$ (14,190)
Adjustments		
Realized (gains) losses	(6,056)	(2,171)
Unrealized (gains) losses	(8,913)	15,723
Gross proceeds of disposition of investments	29,748	15,534
Gross payments for the purchase of investments	(17,583)	(17,094)
Change in investment income due and accrued	(110)	(2)
Change in due from/to The Canada Life Assurance Company	(589)	670
Change in due from/to brokers	484	(491)
Change in due from/to outside parties	—	—
	<u>12,459</u>	<u>(2,021)</u>
Financing Activities		
Contractholder deposits	14,638	14,628
Contractholder withdrawals	(25,858)	(13,644)
	<u>(11,220)</u>	<u>984</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	1,239	(1,037)
Cash, short-term deposits and overdrafts, beginning of year	1,975	3,012
Cash, short-term deposits and overdrafts, end of year	\$ 3,214	\$ 1,975
Supplementary cash flow information		
Dividend income received	\$ 3,677	\$ 2,721

Global Equity Fund SF034

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or Par Value	Average Cost	Fair Value
United States Common Stock			
Communication Services			
Alphabet Inc. Class A	24,705	2,872	4,573
Charter Communications Inc.	1,974	1,391	1,017
Netflix Inc.	1,989	1,188	1,283
Consumer Discretionary			
Booking Holdings Inc.	990	2,533	4,652
McDonald's Corp.	7,845	1,727	3,082
Nike Inc. Class B	21,108	2,030	3,037
The Home Depot Inc.	3,256	1,384	1,495
Consumer Staples			
Costco Wholesale Corp.	5,232	2,607	4,576
PepsiCo Inc.	4,211	590	948
The Estee Lauder Companies Inc. Class A	5,414	1,597	1,049
Energy			
Exxon Mobil Corp.	13,806	1,238	1,829
HF Sinclair Corp.	16,056	761	1,182
Financials			
Berkshire Hathaway Inc. Class B	12,133	2,760	5,733
Federated Hermes Inc.	10,292	379	462
Markel Group Inc.	1,127	1,278	2,120
S&P Global Inc.	5,686	2,618	3,319
SEI Investments Co.	28,896	2,222	2,433
Health Care			
Johnson & Johnson Inc.	6,283	947	1,305
Pfizer Inc.	4,140	182	158
Quest Diagnostics Inc.	5,102	706	932
Thermo Fisher Scientific Inc.	3,095	1,481	2,177
UnitedHealth Group Inc.	3,531	1,104	2,463
Industrials			
O-I Glass Inc.	52,503	1,179	1,140
Oshkosh Corp.	17,618	1,284	2,531

Global Equity Fund SF034

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or Par Value	Average Cost	Fair Value
United States Common Stock (continued)			
Information Technology			
DXC Technology Co.	56,773	2,669	1,720
Electronic Arts Inc.	10,723	1,776	1,944
Keysight Technologies Inc.	14,177	1,443	2,988
Microsoft Corp.	13,502	2,111	6,727
Oracle Corp.	33,129	1,965	4,627
PayPal Holdings Inc.	10,994	1,084	895
Real Estate			
Equinix Inc. REIT	632	580	674
Utilities			
Exelon Corp.	28,061	1,046	1,335
NextEra Energy Inc.	24,969	2,309	2,010
Total United States Common Stock		51,041	76,416
Global Common Stock			
Bermuda			
Lancashire Holdings Ltd.	199,114	2,191	2,097
Cayman Islands			
Meituan Class B	2,890	94	40
Tencent Holdings Ltd.	31,800	2,017	1,584
Denmark			
Tryg AS	70,236	2,106	2,024
France			
Air Liquide SA	8,360	1,578	2,153
EssilorLuxottica SA	8,623	1,803	2,290
Pernod Ricard SA *	4,345	887	1,015
Sanofi SA	11,533	1,300	1,514
Germany			
BASF SE	15,140	1,334	1,080

*The issuer of this security is a related company to the issuer of the Fund.

Global Equity Fund SF034

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or Par Value	Average Cost	Fair Value
Global Common Stock (continued)			
Ireland			
Bank of Ireland Group PLC	96,503	468	1,160
C&C Group PLC	228,559	953	589
CRH PLC	28,390	1,152	2,592
DCC PLC	30,799	2,623	3,003
Johnson Controls International PLC	19,573	1,087	1,495
Kerry Group PLC Class A	10,074	1,177	1,159
Medtronic Co. PLC	11,742	1,407	1,282
Mincon Group PLC	587,730	719	550
Ryanair Holdings PLC ADR	7,785	998	1,376
Steris PLC	7,904	1,435	2,302
Isle Of Man			
Playtech PLC	254,529	1,981	1,927
Israel			
Bank Leumi Le-Israel	154,377	1,166	1,645
Italy			
Eni SPA	55,462	1,187	1,245
Terna SPA	134,234	1,018	1,483
Japan			
Alfresa Holdings Corp.	36,661	929	825
Astellas Pharma Inc.	51,100	930	809
Jersey			
Ferguson PLC	9,079	1,809	2,323
Luxembourg			
Tenaris SA	57,130	873	1,315
Netherlands			
Heineken Holdings NV	13,184	1,586	1,477
Portugal			
Redes Energeticas Nacionais SGPS SA	101,913	372	346

Global Equity Fund SF034

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or Par Value	Average Cost	Fair Value
Global Common Stock (continued)			
South Korea			
Samsung Electronics Co. Ltd.	53,671	2,900	4,315
SK Square Co. Ltd.	5,373	263	289
SK Telecom Co. Ltd.	9,625	562	494
Spain			
Viscofan SA	18,716	1,365	1,467
Sweden			
Telefonaktiebolaget LM Ericsson	184,913	1,800	1,533
Switzerland			
Alcon Inc.	16,754	1,386	1,732
Compagnie Financiere Richemont SA	5,878	587	1,071
Nestle SA	9,048	1,334	1,389
Novartis AG	9,455	1,036	1,264
Sonova Holding AG	2,323	815	1,004
Taiwan			
Taiwan Semiconductor Manufacturing Co. Ltd. ADR	16,838	921	2,320
United Kingdom			
Dowlais Group PLC	263,126	643	475
Melrose Industries PLC	263,126	2,178	2,520
National Grid PLC	110,945	1,697	1,981
Smiths Group PLC	40,369	871	1,202
Unilever PLC	15,756	1,000	1,010
Total Global Common Stock		56,538	66,766
Total Stocks		107,579	143,182
Transaction Costs (note 2)		(112)	
Total Investments		107,467	143,182

Global Equity Fund SF034

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

Introduction

The objective of the Global Equity Fund SF034 (the Fund) in managing risk is the creation and protection of contractholder value. Risk is inherent in the Fund's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. The process of risk management is critical to the Fund's continuing profitability. The Fund can be exposed to liquidity risk, market risk (which includes currency risk, interest rate risk and other price risk) and credit risk arising from the financial instruments it holds.

A. Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023, and groups the securities by asset type, geographic region and/or market segment. The following sections describe the significant risks that are relevant to the Fund.

To assist with managing risk, The Canada Life Assurance Company (Canada Life or the Company) maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and other regulations.

B. Liquidity Risk

Liquidity risk arises when a fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units by contractholders. The Fund retains sufficient cash and cash equivalent positions to maintain adequate liquidity to meet the obligation to fund daily cash redemptions of their redeemable units.

Some securities are illiquid due to legal restrictions on their resale, the nature of the investment, or simply a lack of interested buyers for a particular security or security type. Certain securities may become less liquid due to changes in market conditions, such as interest rate changes or market volatility, which could impair the ability of a fund to sell such securities quickly.

In accordance with the Fund's policy, the Company monitors the Fund's liquidity positions on a regular basis.

C. Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The classifications used on the Schedule of Investment Portfolio for the financial instruments are based on the country of issue.

Global Equity Fund SF034

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

C. Currency Risk (continued)

The table below indicates the foreign currencies to which the Fund had significant exposure as at December 31, 2023 in Canadian dollar terms, including the underlying principal amount of forward currency contracts, if any. The table also illustrates the potential impact to the Fund's net assets attributable to contractholders, all other variables held constant, as a result of a 1% change in these currencies relative to the Canadian dollar. In practice, the actual results may differ from this sensitivity analysis and the difference could be significant.

2023

Currency	Investments	Cash, Short-term Deposits and Overdrafts	Total*	Impact on Net Assets Attributable to Contractholders
United States Dollar	\$ 87,514	\$ 5	\$ 87,519	\$ 875
Euro	19,264	28	19,292	193
United Kingdom Pound Sterling	16,386	—	16,386	164
Other Currencies	20,018	—	20,018	200
Total	\$ 143,182	\$ 33	\$ 143,215	\$ 1,432
As Percent of Net Assets Attributable to Contractholders			97.6%	1.0%

*Includes both monetary and non-monetary instruments

2022

Currency	Investments	Cash, Short-term Deposits and Overdrafts	Total*	Impact on Net Assets Attributable to Contractholders
United States Dollar	\$ 83,173	\$ 17	\$ 83,190	\$ 832
Euro	23,368	1	23,369	234
United Kingdom Pound Sterling	14,607	—	14,607	146
Other Currencies	19,230	—	19,230	192
Total	\$ 140,378	\$ 18	\$ 140,396	\$ 1,404
As Percent of Net Assets Attributable to Contractholders			98.6%	1.0%

*Includes both monetary and non-monetary instruments

D. Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. The Fund Manager moderates this risk through careful selection of securities and other financial instruments within the parameters of the investment strategy. The maximum risk resulting from financial instruments is equivalent to their fair value.

For the Fund, the most significant exposure to other price risk arises from its investment in equity securities. As at December 31, 2023, had the prices on the respective stock exchanges for these securities increased or decreased by 1%, with all other variables held constant, assets would have increased (or decreased) by approximately \$1,432 (\$1,404 at December 31, 2022) or approximately 1.0% (1.0% at December 31, 2022) of total net assets attributable to contractholders. In practice, the actual results may differ and the difference could be significant.

Global Equity Fund SF034

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

E. Fair Value Classification

The following table presents information about the Fund's assets and liabilities measured at fair value on a recurring basis and indicates the fair value hierarchy of the valuation techniques utilized by the Fund to determine such fair value:

<u>Assets measured at fair value</u>	2023			
	Assets and Liabilities Measured at Fair Value			
	Level 1	Level 2	Level 3	Total
Stocks	\$ 136,439	\$ 6,743	\$ —	\$ 143,182
Total assets measured at fair value	\$ 136,439	\$ 6,743	\$ —	\$ 143,182

<u>Assets measured at fair value</u>	2022			
	Assets and Liabilities Measured at Fair Value			
	Level 1	Level 2	Level 3	Total
Stocks	\$ 134,649	\$ 5,729	\$ —	\$ 140,378
Total assets measured at fair value	\$ 134,649	\$ 5,729	\$ —	\$ 140,378

In accordance with the Fund's valuation policy, the Fund applies fair value adjustment factors to the quoted market prices for certain non-North American equities when North American intraday stock market movements exceed predetermined tolerances. The adjustment factors are applied in order to estimate the impact on fair values of events occurring between the close of the non-North American stock markets and the close of business for the Fund. If fair value adjustment factors are applied, non-North American equities are classified as Level 2. Consequently, non-North American equities are frequently transferred between Level 1 (unadjusted quoted market prices) and Level 2 (adjusted market prices). As at December 31, 2023, these securities were classified as Level 2 (Level 2 at December 31, 2022).

Global Equity Fund SF034

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance. Portfolio units are allocated to each category as described in note 3 and are not included on this page.

Net Assets Attributable to Contractholders by Category

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
Flex	105,991	119,139	129,816	141,543	165,006	13,784	14,039	16,966	15,685	18,275
Generations/Mosaic	632,776	701,297	897,924	897,494	1,125,119	9,901	9,943	14,119	11,966	14,993
Generations I	101,650	105,921	114,873	108,917	207,739	2,469	2,329	2,798	2,247	4,279
Generations II	31,132	38,138	39,663	42,225	46,737	672	747	863	780	864
Generations Core	59,600	67,903	73,627	79,452	112,254	1,383	1,424	1,707	1,558	2,194
75/75 guarantee policy	427,201	442,872	470,394	468,423	451,750	12,638	11,839	13,908	11,711	11,257
75/100 guarantee policy	938,568	972,798	1,029,224	949,863	931,180	27,024	25,351	29,714	23,226	22,733
100/100 guarantee policy	66,045	67,675	67,012	80,262	95,997	1,834	1,705	1,876	1,908	2,285
PS1 75/75 guarantee policy	324,213	308,704	306,032	260,494	190,421	9,627	8,245	8,999	6,447	4,676
PS1 75/100 guarantee policy	820,812	791,725	818,849	670,071	601,240	23,497	20,454	23,368	16,148	14,424
PS1 100/100 guarantee policy	34,275	30,134	32,545	15,703	7,789	934	744	891	364	181
PS2 75/75 guarantee policy	167,476	361,840	174,952	104,854	68,173	6,544	12,422	6,458	3,182	2,005
PS2 75/100 guarantee policy	173,474	174,685	174,685	142,920	140,970	6,780	5,998	6,449	4,338	4,146
PS2 100/100 guarantee policy	1,385	1,233	165	—	5,179	54	42	6	—	152
PS 75/75 guarantee policy	147,868	134,677	120,751	67,496	24,637	1,929	1,570	1,540	720	259
PS 75/100 guarantee policy	181,925	193,177	136,223	81,706	31,119	2,352	2,235	1,727	868	326
PPS 75/75 guarantee policy	217,865	178,669	178,462	20,274	22,005	2,914	2,126	2,312	219	233
PPS 75/100 guarantee policy	234,958	255,596	249,933	136,729	118,046	3,086	2,997	3,202	1,463	1,244
PPS 100/100 guarantee policy	14,378	21,078	21,258	356	27,547	185	243	269	4	289

Net Assets Attributable to Contractholders Per Unit (note 6)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
Flex	130.05	117.84	130.69	110.81	110.76	12.21	(12.85)
Generations/Mosaic	15.65	14.18	15.72	13.33	13.33	1.47	(1.54)
Generations I	24.29	21.99	24.36	20.63	20.60	2.30	(2.37)
Generations II	21.58	19.58	21.75	18.48	18.50	2.00	(2.17)
Generations Core	23.20	20.96	23.19	19.61	19.54	2.24	(2.23)
75/75 guarantee policy	29.58	26.73	29.57	25.00	24.92	2.85	(2.84)
75/100 guarantee policy	28.79	26.06	28.87	24.45	24.41	2.73	(2.81)
100/100 guarantee policy	27.76	25.20	27.99	23.77	23.80	2.56	(2.79)
PS1 75/75 guarantee policy	29.69	26.71	29.40	24.75	24.56	2.98	(2.69)
PS1 75/100 guarantee policy	28.63	25.84	28.54	24.10	23.99	2.79	(2.70)
PS1 100/100 guarantee policy	27.24	24.68	27.37	23.20	23.18	2.56	(2.69)
PS2 75/75 guarantee policy	39.08	34.33	36.91	30.35	29.41	4.75	(2.58)
PS2 75/100 guarantee policy	39.08	34.34	36.92	30.35	29.41	4.74	(2.58)
PS2 100/100 guarantee policy	39.06	34.32	36.90	—	29.40	4.74	(2.58)
PS 75/75 guarantee policy	13.04	11.66	12.75	10.67	10.52	1.38	(1.09)
PS 75/100 guarantee policy	12.93	11.57	12.68	10.62	10.49	1.36	(1.11)
PPS 75/75 guarantee policy	13.37	11.90	12.96	10.79	10.59	1.47	(1.06)
PPS 75/100 guarantee policy	13.14	11.72	12.81	10.70	10.54	1.42	(1.09)
PPS 100/100 guarantee policy	12.86	11.53	12.64	10.60	10.48	1.33	(1.11)

Global Equity Fund SF034

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Fund is offered by The Canada Life Assurance Company.

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

Global Equity Fund SF034

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

Global Equity Fund SF034

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in fair value measurements in the notes to the Schedule of Investment Portfolio.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

Global Equity Fund SF034

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) **Stocks**

Stocks are recorded at fair value determined with reference to closing quoted market prices, where the last traded price falls within the day's bid-ask spread, primarily provided by third party independent pricing sources. Fair values are determined on the basis of the closing price for a security on the recognized exchange on which it is principally traded at each reporting date. In circumstances where the last traded price is not within the bid-ask spread, the Company determines the point when the bid-ask spread that is most representative of fair value based on the specific facts and circumstances.

The fair value of unlisted securities is established using quotations determined by a major dealer in a particular security. Should the quoted value for a security, in the opinion of the Fund Manager, be inaccurate, unreliable, or not readily available, the value of the security is estimated using valuation techniques. Valuation techniques include the market approach (using recent arm's-length market transactions adjusted as necessary and reference to the current market value of another instrument that is substantially the same) and the income approach (discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible).

d) **Cash, Short-term Deposits and Overdrafts**

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) **Classification of Units Issued by the Fund**

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) **Recognition of Investments and Income**

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

Dividend income - accrued as of the ex-dividend date and recorded on the accrual basis.

Global Equity Fund SF034

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

Miscellaneous income (loss)

Miscellaneous income (loss) generally includes the changes in foreign exchange rates between trade and settlement dates, foreign exchange rates on bank balances, securities lending income, derivative income, and management fee rebates.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

Global Equity Fund SF034

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

k) Income Allocation

Net gain (loss) on investments, which includes dividend income, realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the net asset value (NAV) per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

m) Transaction Costs

Transaction costs, such as brokerage commissions, incurred in the purchase and sale of securities by the Fund are charged to expenses in the year.

Global Equity Fund SF034

Notes to the Financial Statements

(in Canadian \$ thousands)

3. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Emperor,
- Flex,
- Generations/Mosaic,
- Generations I,
- Generations II,
- Generations Core,
- Prestige/Prestige Plus, and
- Private Collections.

In addition to the Individual units, units are available for:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

Portfolio units are those units owned by the Asset Allocation Funds. Each Portfolio fund is represented by a separate category.

The categories of units, and the various levels within each, are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

Global Equity Fund SF034

Notes to the Financial Statements

(in Canadian \$ thousands)

4. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

5. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

6. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

Global Equity Fund SF034

Notes to the Financial Statements

(in Canadian \$ thousands)

7. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.
- c) The Fund invests in assets or underlying funds managed by Setanta Asset Management Limited. All investment transactions with the corresponding underlying funds are at quoted market prices.

Global Equity Fund SF034

Supplemental Information (unaudited)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾

For the years ended December 31	2023	2022	2021	2020	2019
Flex	3.09	3.10	3.10	3.09	3.09
Generations/Mosaic	3.09	3.10	3.09	3.09	3.09
Generations I	2.98	2.98	2.98	2.99	2.98
Generations II	3.25	3.26	3.26	3.25	3.26
Generations Core	2.82	2.82	2.82	2.82	2.82
75/75 guarantee policy	2.82	2.82	2.82	2.81	2.81
75/100 guarantee policy	2.98	2.99	2.98	2.97	2.98
100/100 guarantee policy	3.25	3.26	3.26	3.25	3.25
PS1 75/75 guarantee policy	2.36	2.36	2.36	2.35	2.36
PS1 75/100 guarantee policy	2.69	2.69	2.69	2.68	2.69
PS1 100/100 guarantee policy	3.07	3.08	3.06	3.06	3.08
PS 75/75 guarantee policy	1.72	1.72	1.71	1.71	1.70
PS 75/100 guarantee policy	1.88	1.88	1.88	1.87	1.87
PPS 75/75 guarantee policy	1.26	1.26	1.25	1.26	1.26
PPS 75/100 guarantee policy	1.59	1.59	1.59	1.59	1.59
PPS 100/100 guarantee policy	1.98	1.98	1.98	2.01	1.98

Portfolio Turnover Rate (%) ⁽²⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	12.39	10.45	20.55	31.19	12.24

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
MANAGED FUND (LAKETON) SF035

December 31, 2023

Independent Auditor's Report

To the Contractholders of Managed Fund (Laketon) SF035 (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

Managed Fund (Laketon) SF035

(in Canadian \$ thousands)

Fund Manager: Mackenzie Investments

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ 2,102	\$ 1,535
Investment income due and accrued	600	463
Due from The Canada Life Assurance Company (note 8)	—	—
Due from brokers	—	25
Due from outside parties	25	24
Investments		
Bonds	40,781	50,692
Stocks	58,165	56,109
Investment fund units	—	—
Derivatives (note 7)	598	32
Total investments	99,544	106,833
Total assets	\$ 102,271	\$ 108,880
Liabilities		
Overdrafts	\$ —	\$ —
Due to The Canada Life Assurance Company (note 8)	433	32
Due to brokers	8	24
Due to outside parties	—	—
Derivatives (note 7)	78	155
Total liabilities excluding net assets attributable to contractholders	519	211
Net assets attributable to contractholders	\$ 101,752	\$ 108,669

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 9,594	\$ (9,972)
Miscellaneous income (loss)	104	66
Total income (loss)	9,698	(9,906)
Expenses		
Management fees (note 8)	2,439	2,768
Transaction costs	23	59
Withholding taxes	67	70
Other	250	267
Total expenses	2,779	3,164
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 6,919	\$ (13,070)

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year	\$ 108,669	\$ 134,484
Contractholder deposits	1,029	1,385
Contractholder withdrawals	(14,865)	(14,130)
Increase (decrease) in net assets from operations attributable to contractholders	6,919	(13,070)
Change in net assets attributable to contractholders	(6,917)	(25,815)
Net assets attributable to contractholders - end of year	\$ 101,752	\$ 108,669

Managed Fund (Laketon) SF035

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 6,919	\$ (13,070)
Adjustments		
Add back amortization of premium (discount)	(71)	(25)
Realized (gains) losses	885	(4,397)
Unrealized (gains) losses	(6,560)	17,715
Gross proceeds of disposition of investments	74,843	115,016
Gross payments for the purchase of investments	(61,885)	(102,520)
Change in investment income due and accrued	(137)	(101)
Change in due from/to The Canada Life Assurance Company	401	(100)
Change in due from/to brokers	9	(1)
Change in due from/to outside parties	(1)	1
	<u>14,403</u>	<u>12,518</u>
Financing Activities		
Contractholder deposits	1,029	1,385
Contractholder withdrawals	(14,865)	(14,130)
	<u>(13,836)</u>	<u>(12,745)</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	567	(227)
Cash, short-term deposits and overdrafts, beginning of year	1,535	1,762
Cash, short-term deposits and overdrafts, end of year	\$ 2,102	\$ 1,535
Supplementary cash flow information		
Interest income received	\$ 1,662	\$ 1,300
Dividend income received	1,869	1,893

Managed Fund (Laketon) SF035

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or <u>Par Value</u>	Average <u>Cost</u>	Fair <u>Value</u>
Canadian Bonds			
Federal Government			
CPPIB Capital Inc. 3.95% 06-02-2032	421,000	419	428
Government of Canada 0.50% 12-01-2050 Real Return	164,000	161	160
Government of Canada 1.75% 12-01-2053	59,000	36	44
Government of Canada 2.50% 12-01-2032	10,000	10	10
Government of Canada 2.75% 06-01-2033	360,000	341	350
Total Federal Government		967	992
Provincial Government			
Ontario Teachers' Finance Trust 4.45% 06-02-2032	24,000	24	25
Province of Alberta 3.10% 06-01-2050	175,000	169	149
Province of British Columbia 2.95% 06-18-2050	114,000	121	95
Province of Manitoba 3.80% 09-05-2053	40,000	37	38
Province of Ontario 4.05% 02-02-2032	154,000	154	158
Province of Quebec 3.65% 05-20-2032	33,000	33	33
Province of Saskatchewan 2.80% 12-02-2052	93,000	94	74
Province of Saskatchewan 3.10% 06-02-2050	80,000	74	68
Total Provincial Government		706	640
Corporate - Non-convertible			
1011778 BC ULC/New Red Finance Inc. 3.50% 02-15-2029 144A	31,000	38	38
1011778 BC ULC/New Red Finance Inc. 4.00% 10-15-2030 144A	56,000	65	67
407 International Inc. 3.60% 05-21-2047	8,000	6	7
407 International Inc. 3.67% 03-08-2049	34,000	30	30
407 International Inc. 4.22% 02-14-2028	21,000	21	21
407 International Inc. 4.86% 07-31-2053	6,000	6	6
Aeroports de Montreal 3.36% 04-24-2047	27,000	22	23
Aeroports de Montreal 6.55% 10-11-2033	7,000	8	8
AIMCo Realty Investors LP 2.195% 11-04-2026	13,000	13	12
AIMCo Realty Investors LP 2.712% 06-01-2029	75,000	74	69
Algonquin Power & Utilities Corp. 4.09% 02-17-2027	67,000	66	65
Algonquin Power & Utilities Corp. 4.60% 01-29-2029	6,000	6	6
Algonquin Power & Utilities Corp. 5.25% 01-18-2082	130,000	113	108
Algonquin Power Co. 2.85% 07-15-2031	74,000	71	65
Alimentation Couche-Tard 5.592% 09-25-2030	30,000	30	32
Alimentation Couche-Tard Inc. 2.95% 01-25-2030 144A	338,000	392	401

Managed Fund (Laketon) SF035

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or <u>Par Value</u>	Average <u>Cost</u>	Fair <u>Value</u>
Canadian Bonds (continued)			
Corporate - Non-convertible (continued)			
AltaGas Ltd. 2.166% 03-16-2027	72,000	72	67
AltaGas Ltd. 4.638% 05-15-2026	3,000	3	3
AltaGas Ltd. 5.25% 01-11-2082	125,000	108	105
AltaGas Ltd. 7.35% 08-17-2082	88,000	87	88
AltaGas Ltd. 8.90% 11-10-2083	46,000	46	48
AltaLink LP 1.509% 09-11-2030	90,000	71	77
ARC Resources Ltd. 2.354% 03-10-2026	201,000	185	192
Athene Global Funding 3.127% 03-10-2025	60,000	59	58
Bank of Montreal 2.077% 06-17-2030	62,000	61	59
Bank of Montreal 3.65% 04-01-2027	27,000	27	26
Bank of Montreal 4.30% 11-26-2025	244,000	231	231
Bank of Montreal 4.537% 12-18-2028	26,000	26	26
Bank of Montreal 4.709% 12-07-2027	86,000	86	87
Bank of Montreal 6.034% 09-07-2033	40,000	40	42
Bank of Montreal 6.534% 10-27-2032	10,000	10	11
Bank of Montreal 7.057% 04-26-2028	50,000	50	50
Bank of Montreal 7.325% 11-26-2082	129,000	129	129
Baytex Energy Corp. 8.50% 04-30-2030 144A	32,000	45	44
BCI QuadReal Realty 1.056% 03-12-2024	26,000	26	26
BCI QuadReal Realty 1.073% 02-04-2026	39,000	39	36
Bell Canada 3.00% 03-17-2031	38,000	34	34
Bell Canada 5.15% 11-14-2028	13,000	13	13
Bell Canada 5.25% 03-15-2029	18,000	18	19
Bell Canada Inc. 5.85% 11-10-2032	92,000	94	100
Brookfield Infrastructure Finance ULC 4.193% 09-11-2028	61,000	60	60
Brookfield Infrastructure Finance ULC 5.616% 11-14-2027	51,000	51	53
Brookfield Renewable Partners ULC 4.25% 01-15-2029	58,000	56	57
Brookfield Residential Properties Inc./Brookfield Residential US Corp. 5.125% 06-15-2029	13,000	13	11
Bruce Power LP 4.00% 06-21-2030	20,000	19	19
CAE Inc. 5.541% 06-12-2028	10,000	10	10
Cameco Corp. 2.95% 10-21-2027	50,000	45	47
Canadian Core Real Estate 3.299% 03-02-2027	13,000	13	12
Canadian Imperial Bank of Commerce 1.10% 01-19-2026	172,000	172	161
Canadian Imperial Bank of Commerce 1.96% 04-21-2031	117,000	111	109
Canadian Imperial Bank of Commerce 2.00% 04-17-2025	80,000	81	77
Canadian Imperial Bank of Commerce 4.20% 04-07-2032	29,000	29	28

Managed Fund (Laketon) SF035

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or <u>Par Value</u>	Average <u>Cost</u>	Fair <u>Value</u>
Canadian Bonds (continued)			
Corporate - Non-convertible (continued)			
Canadian Imperial Bank of Commerce 4.375% 10-28-2025	16,000	16	15
Canadian Imperial Bank of Commerce 4.95% 06-29-2027	52,000	52	53
Canadian Imperial Bank of Commerce 5.00% 12-07-2026	87,000	87	88
Canadian Imperial Bank of Commerce 5.05% 10-07-2027	11,000	11	11
Canadian Imperial Bank of Commerce 5.33% 01-20-2033	19,000	19	19
Canadian Imperial Bank of Commerce 5.35% 04-20-2033	14,000	14	14
Canadian Imperial Bank of Commerce 5.935% 07-14-2026	17,000	17	17
Canadian Imperial Bank of Commerce 7.15% 07-28-2082	255,000	255	254
Canadian National Railway Co. 3.00% 02-08-2029	11,000	11	10
Canadian National Railway Co. 4.40% 05-10-2033	53,000	51	54
Canadian Pacific Railway Ltd. 2.54% 02-28-2028	100,000	97	94
Canadian Pacific Railway Ltd. 3.15% 03-13-2029	20,000	18	19
Canadian Western Bank 2.597% 09-06-2024	30,000	28	29
Canadian Western Bank 2.606% 01-30-2025	21,000	22	20
Canadian Western Bank 5.00% 07-31-2081	158,000	129	122
Canadian Western Bank 5.146% 09-02-2027	24,000	24	24
Canadian Western Bank 5.261% 12-20-2025	7,000	7	7
Canadian Western Bank 5.937% 12-22-2032	20,000	20	20
Capital Power Corp. 5.816% 09-15-2028	11,000	11	11
Capital Power Corp. 5.973% 01-25-2034	11,000	11	11
Capital Power Corp. 7.95% 09-09-2082	124,000	123	122
Cascades Inc./Cascades USA Inc. 5.125% 01-15-2025	74,000	73	74
CCL Industries Inc. 3.864% 04-13-2028	43,000	40	42
CDP Financial Inc. 1.50% 10-19-2026	90,000	90	85
Cenovus Energy Inc. 2.65% 01-15-2032	67,000	72	74
Cenovus Energy Inc. 3.75% 02-15-2052	133,000	129	130
Central 1 Credit Union 5.877% 11-10-2026	9,000	9	9
Choice Properties REIT 2.848% 05-21-2027	55,000	56	52
Choice Properties REIT 3.532% 06-11-2029	57,000	51	54
Choice Properties REIT 5.40% 03-01-2033	25,000	25	26
Choice Properties REIT 5.699% 02-28-2034	31,000	31	32
Choice Properties REIT 6.003% 06-24-2032	41,000	43	44
Coast Capital Savings Federal Credit Union 8.875% 05-02-2033	22,000	22	22
Cologix Data Centers Issuer LLC 4.94% 01-25-2052	5,000	5	5
Cologix Data Centers Issuer LLC 5.68% 01-25-2052	4,000	4	4
Cordelio Amalco GP I 4.087% 06-30-2034 Series B	12,645	12	12
Corus Entertainment Inc. 5.00% 05-11-2028	154,000	121	104

Managed Fund (Laketon) SF035

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or <u>Par Value</u>	Average <u>Cost</u>	Fair <u>Value</u>
Canadian Bonds (continued)			
Corporate - Non-convertible (continued)			
Crombie REIT 3.133% 08-12-2031	11,000	11	9
Curaleaf Holdings Inc. 8.00% 12-15-2026	207,000	250	232
Dollarama Inc. 5.533% 09-26-2028	14,000	14	15
Dream Industrial REIT 1.662% 12-22-2025	24,000	22	23
Dream Industrial REIT 2.057% 06-17-2027	27,000	27	25
Dream Industrial REIT 2.539% 12-07-2026	25,000	25	23
Dream Industrial REIT 3.968% 04-13-2026	11,000	11	11
Dream Industrial REIT 5.383% 03-22-2028	8,000	8	8
Emera Inc. Floating Rate 06-15-2076	72,000	95	94
Enbridge Gas Inc. 2.37% 08-09-2029	20,000	17	18
Enbridge Gas Inc. 5.70% 10-06-2033	9,000	9	10
Enbridge Inc. 4.90% 05-26-2028	8,000	8	8
Enbridge Inc. 5.375% 09-27-2077	800,000	763	755
Enbridge Inc. 6.625% 04-12-2078	195,000	202	192
Enbridge Inc. 8.747% 01-15-2084	302,000	302	326
Enbridge Pipelines Inc. 4.55% 09-29-2045	23,000	21	21
Enbridge Pipelines Inc. 5.82% 08-17-2053	20,000	21	22
EPCOR Utilities Inc. 3.106% 07-08-2049	40,000	30	32
EPCOR Utilities Inc. 3.554% 11-27-2047	38,000	31	33
EPCOR Utilities Inc. 4.725% 09-02-2052	18,000	18	19
EPCOR Utilities Inc. 5.326% 10-03-2053	11,000	11	13
Equitable Bank 1.876% 11-26-2025	5,000	4	5
Equitable Bank 3.362% 03-02-2026	27,000	27	26
Fairfax Financial Holdings Ltd. 3.95% 03-03-2031	34,000	31	32
Fairfax Financial Holdings Ltd. 4.23% 06-14-2029	56,000	51	55
Federation des Caisses Desjardins du Quebec 1.587% 09-10-2026	57,000	53	53
Federation des Caisses Desjardins du Quebec 4.407% 05-19-2027	18,000	18	18
Federation des Caisses Desjardins du Quebec 5.035% 08-23-2032	25,000	25	25
Federation des Caisses Desjardins du Quebec 5.20% 10-01-2025	26,000	26	26
Federation des Caisses Desjardins du Quebec 5.467% 11-17-2028	16,000	16	17
Federation des Caisses Desjardins du Quebec 5.475% 08-16-2028	7,000	7	7
First Capital REIT 3.447% 03-01-2028	10,000	9	9
First Quantum Minerals Ltd. 6.875% 03-01-2026 144A	25,000	30	30
First West Credit Union 9.186% 08-09-2033	10,000	10	11
Ford Credit Canada Co. 2.961% 09-16-2026	38,000	36	36
Ford Credit Canada Co. 6.777% 09-15-2025	80,000	80	82
Ford Credit Canada Co. 7.00% 02-10-2026	79,000	79	81

Managed Fund (Laketon) SF035

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or <u>Par Value</u>	Average <u>Cost</u>	Fair <u>Value</u>
Canadian Bonds (continued)			
Corporate - Non-convertible (continued)			
Fortis Inc. 4.431% 05-31-2029	35,000	35	35
Garda World Security Corp. 6.00% 06-01-2029 144A	85,000	96	101
General Motors Financial of Canada Ltd. 5.20% 02-09-2028	11,000	11	11
GFL Environmental Inc. 4.00% 08-01-2028 144A	33,000	40	40
GFL Environmental Inc. 5.125% 12-15-2026 144A	50,000	66	65
GFL Environmental Inc. 6.75% 01-15-2031 144A	79,000	107	108
Gibson Energy Inc. 5.25% 12-22-2030	173,000	158	148
Gibson Energy Inc. 8.70% 07-12-2083	71,000	71	74
Granite REIT Holdings LP 2.194% 08-30-2028	28,000	25	25
Granite REIT Holdings LP 2.378% 12-18-2030	9,000	7	8
Granite REIT Holdings LP 3.062% 06-04-2027	64,000	60	61
Greater Toronto Airports Authority 1.54% 05-03-2028	86,000	76	78
Greater Toronto Airports Authority 6.47% 02-02-2034	21,000	24	25
Greater Toronto Airports Authority 7.05% 06-12-2030	43,000	49	50
Greenfire Resources Inc. 12.00% 10-01-2028 144A	62,000	83	81
H&R REIT 4.071% 06-16-2025	46,000	50	45
Home Trust Co. 5.317% 06-13-2024	36,000	36	36
Honda Canada Finance Inc. 4.873% 09-23-2027	45,000	45	46
Honda Canada Finance Inc. 5.73% 09-28-2028	9,000	9	10
Hydro One Inc. 2.23% 09-17-2031	20,000	17	18
Hydro One Ltd. 1.41% 10-15-2027	18,000	17	16
iA Financial Corp. Inc. 5.685% 06-20-2033	8,000	8	8
Intact Financial Corp. 4.125% 03-31-2081	12,000	12	11
Intact Financial Corp. 5.459% 09-22-2032	24,000	32	32
Inter Pipeline Ltd. 4.232% 06-01-2027	15,000	15	15
Inter Pipeline Ltd. 5.71% 05-29-2030	24,000	24	25
Inter Pipeline Ltd. 5.76% 02-17-2028	31,000	31	32
Inter Pipeline Ltd. 6.625% 11-19-2079	100,000	94	95
Inter Pipeline Ltd. 6.875% 03-26-2079	322,000	310	310
Jones Deslauriers Insurance Management Inc. 8.50% 03-15-2030	85,000	116	119
Keyera Corp. 3.959% 05-29-2030	30,000	29	29
Keyera Corp. 5.95% 03-10-2081	160,000	145	142
Keyera Corp. 6.875% 06-13-2029	320,000	305	311
Kruger Packaging Holdings LP 6.00% 06-01-2026	54,000	54	52
Kruger Products Inc. 5.375% 04-09-2029	7,000	7	6
Kruger Products Inc. 6.00% 04-24-2025	133,000	128	130
Laurentian Bank of Canada 4.60% 09-02-2025	45,000	45	45

Managed Fund (Laketon) SF035

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or <u>Par Value</u>	Average <u>Cost</u>	Fair <u>Value</u>
Canadian Bonds (continued)			
Corporate - Non-convertible (continued)			
Laurentian Bank of Canada 5.095% 06-15-2032	72,000	72	69
Laurentian Bank of Canada 5.30% 06-15-2081	83,000	69	63
Loblaw Companies Ltd. 2.284% 05-07-2030	77,000	65	68
Loblaw Companies Ltd. 4.488% 12-11-2028	79,000	76	80
Loblaw Companies Ltd. 5.336% 09-13-2052	17,000	17	18
Lower Mattagami Energy LP 2.433% 05-14-2031	40,000	40	36
Manulife Financial Corp. 2.237% 05-12-2030	17,000	16	16
Manulife Financial Corp. 3.375% 06-19-2081	214,000	161	167
Manulife Financial Corp. 5.409% 03-10-2033	28,000	28	29
Manulife Financial Corp. 7.117% 06-19-2082	490,000	481	491
Mattamy Group Corp. 4.625% 03-01-2030 144A	66,000	79	81
MEG Energy Corp. 5.875% 02-01-2029 144A	180,000	234	232
National Bank of Canada 1.534% 06-15-2026	50,000	47	47
National Bank of Canada 4.05% 08-15-2081	87,000	78	67
National Bank of Canada 4.968% 12-07-2026	25,000	25	25
National Bank of Canada 5.023% 02-01-2029	10,000	10	10
National Bank of Canada 5.219% 06-14-2028	24,000	24	25
National Bank of Canada 5.296% 11-03-2025	51,000	51	51
National Bank of Canada 5.426% 08-16-2032	42,000	42	42
North West Redwater Partnership/NWR Financing Co. Ltd. 2.80% 06-01-2031	45,000	41	40
Northland Power Inc. 9.25% 06-30-2083	175,000	173	182
NuVista Energy Ltd. 7.875% 07-23-2026	98,000	100	100
OMERS Finance Trust 1.55% 04-21-2027	117,000	106	109
Ontario Gaming GTA LP 8.00% 08-01-2030 144A	44,000	59	61
Open Text Corp. 3.875% 12-01-2029 144A	67,000	76	80
Parkland Corp. of Canada 3.875% 06-16-2026	213,000	206	204
Parkland Corp. of Canada 4.375% 03-26-2029	254,000	251	235
Parkland Corp. of Canada 6.00% 06-23-2028	216,000	212	217
Pembina Pipeline Corp. 4.80% 01-25-2031	270,000	234	229
Prime Structured Mortgage Trust 1.856% 11-15-2024	19,000	19	18
Reliance LP 2.67% 08-01-2028	42,000	42	38
Reliance LP 3.75% 03-15-2026	43,000	43	42
RioCan REIT 2.361% 03-10-2027	50,000	50	46
RioCan REIT 2.576% 02-12-2025	121,000	121	117
RioCan REIT 2.829% 11-08-2028	37,000	33	33
RioCan REIT 4.628% 05-01-2029	11,000	11	11
RioCan REIT 5.611% 10-06-2027	22,000	22	22

Managed Fund (Laketon) SF035

Schedule of Investment Portfolio

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	No. of Units, Shares or <u>Par Value</u>	Average <u>Cost</u>	Fair <u>Value</u>
Canadian Bonds (continued)			
Corporate - Non-convertible (continued)			
RioCan REIT 5.962% 10-01-2029	14,000	14	14
Rogers Communications Inc. 2.90% 12-09-2030	10,000	8	9
Rogers Communications Inc. 3.75% 04-15-2029	203,000	195	195
Rogers Communications Inc. 5.00% 12-17-2081	157,000	151	150
Rogers Communications Inc. 5.25% 03-15-2082	19,000	24	24
Rogers Communications Inc. 5.25% 03-15-2082 144A	233,000	288	297
Rogers Communications Inc. 5.70% 09-21-2028	27,000	27	28
Rogers Communications Inc. 6.75% 11-09-2039	32,000	37	37
Royal Bank of Canada 2.14% 11-03-2031	47,000	45	44
Royal Bank of Canada 2.328% 01-28-2027	26,000	23	25
Royal Bank of Canada 2.88% 12-23-2029	555,000	565	541
Royal Bank of Canada 3.65% 11-24-2081	300,000	232	227
Royal Bank of Canada 4.00% 02-24-2081	67,000	60	61
Royal Bank of Canada 4.50% 11-24-2080	47,000	45	45
Royal Bank of Canada 4.612% 07-26-2027	22,000	22	22
Royal Bank of Canada 4.632% 05-01-2028	17,000	17	17
Royal Bank of Canada 4.642% 01-17-2028	37,000	37	37
Royal Bank of Canada 5.01% 02-01-2033	26,000	26	26
Royal Bank of Canada 5.235% 11-02-2026	24,000	24	25
Royal Bank of Canada 5.341% 06-23-2026	17,000	17	17
Russel Metals Inc. 5.75% 10-27-2025	98,000	98	98
Russel Metals Inc. 6.00% 03-16-2026	70,000	70	70
Sagen MI Canada Inc. 3.261% 03-05-2031	38,000	38	32
Sagen MI Canada Inc. 4.95% 03-24-2081	2,000	2	2
Saputo Inc. 5.492% 11-20-2030	15,000	15	16
Secure Energy Services Inc. 7.25% 12-30-2026	167,000	167	169
Sienna Senior Living Inc. 2.82% 03-31-2027	14,000	14	13
South Coast British Columbia Transportation Authority 1.60% 07-03-2030	33,000	28	29
Sun Life Financial Inc. 2.06% 10-01-2035	36,000	36	30
Sun Life Financial Inc. 2.38% 08-13-2029	50,000	49	49
Sun Life Financial Inc. 2.80% 11-21-2033	32,000	32	29
Sun Life Financial Inc. 3.60% 06-30-2081	167,000	129	130
Sun Life Financial Inc. 4.78% 08-10-2034	17,000	17	17
Sun Life Financial Inc. 5.50% 07-04-2035	3,000	3	3
Suncor Energy Inc. 3.75% 03-04-2051	133,000	135	133
Suncor Energy Inc. 3.95% 03-04-2051	123,000	121	103
Suncor Energy Inc. 5.40% 11-17-2026	20,000	20	20

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Canadian Bonds (continued)			
Corporate - Non-convertible (continued)			
Superior Plus LP 4.25% 05-18-2028	343,000	333	319
Tamarack Valley Energy Ltd. 7.25% 05-10-2027	193,000	186	190
TELUS Corp. 2.05% 10-07-2030	237,000	202	203
TELUS Corp. 2.85% 11-13-2031	60,000	50	53
TELUS Corp. 3.15% 02-19-2030	72,000	68	67
TELUS Corp. 3.30% 05-02-2029	21,000	21	20
TELUS Corp. 4.95% 03-28-2033	9,000	9	9
Teranet Holdings LP 3.719% 02-23-2029	46,000	46	43
The Bank of Nova Scotia 1.95% 01-10-2025	38,000	37	37
The Bank of Nova Scotia 3.70% 07-27-2081	86,000	66	65
The Bank of Nova Scotia 3.934% 05-03-2032	27,000	27	26
The Bank of Nova Scotia 5.50% 05-08-2026	94,000	94	96
The Bank of Nova Scotia 5.50% 12-29-2025	21,000	21	21
The Bank of Nova Scotia 5.679% 08-02-2033	10,000	10	10
The Bank of Nova Scotia 7.023% 07-27-2082	79,000	78	78
The Cannabist Company Holdings Inc. 9.50% 02-03-2026	50,000	63	56
The Empire Life Insurance Co. 3.625% 04-17-2026	20,000	20	16
The Empire Life Insurance Co. 5.503% 01-13-2033	28,000	28	28
The Independent Order of Foresters 2.885% 10-15-2035	100,000	100	85
The Toronto-Dominion Bank 2.26% 01-07-2027	17,000	16	16
The Toronto-Dominion Bank 2.667% 09-09-2025	9,000	9	9
The Toronto-Dominion Bank 3.06% 01-26-2032	217,000	214	206
The Toronto-Dominion Bank 3.105% 04-22-2030	142,000	137	138
The Toronto-Dominion Bank 3.60% 10-31-2081	200,000	155	152
The Toronto-Dominion Bank 4.21% 06-01-2027	63,000	63	63
The Toronto-Dominion Bank 4.34% 01-27-2026	24,000	24	24
The Toronto-Dominion Bank 4.477% 01-18-2028	38,000	38	38
The Toronto-Dominion Bank 4.68% 01-08-2029	107,000	105	108
The Toronto-Dominion Bank 5.376% 10-21-2027	27,000	27	28
The Toronto-Dominion Bank 5.423% 07-10-2026	15,000	15	15
The Toronto-Dominion Bank 5.491% 09-08-2028	24,000	24	25
The Toronto-Dominion Bank 5.75% 10-31-2027	133,000	119	114
The Toronto-Dominion Bank 7.283% 10-31-2082	82,000	82	82
TMX Group Ltd. 2.016% 02-12-2031	24,000	24	20
TMX Group Ltd. 2.997% 12-11-2024	35,000	34	34
TMX Group Ltd. 3.779% 06-05-2028	17,000	16	17
Tourmaline Oil Corp. 2.529% 02-12-2029	137,000	121	125

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Canadian Bonds (continued)			
Corporate - Non-convertible (continued)			
TransCanada PipeLines Ltd. 5.277% 07-15-2030	28,000	28	29
TransCanada PipeLines Ltd. Floating Rate 05-18-2077	453,000	425	414
TransCanada Trust 4.20% 03-04-2081	61,000	61	50
TransCanada Trust 5.30% 03-15-2077	14,000	17	17
Trulieve Cannabis Corp. 8.00% 10-06-2026	100,000	100	112
Vancouver Airport Authority 1.76% 09-20-2030	35,000	30	30
Ventas Canada Finance Ltd. 5.398% 04-21-2028	19,000	19	19
Vermilion Energy Inc. 6.875% 05-01-2030 144A	70,000	88	89
Vesta Energy Corp. 10.00% 10-15-2025 144A	58,000	57	57
Videotron Ltd. 3.125% 01-15-2031	82,000	65	70
Videotron Ltd. 4.50% 01-15-2030	278,000	278	263
Videotron Ltd. 5.625% 06-15-2025	300,000	298	301
Videotron Ltd. 5.75% 01-15-2026	50,000	49	50
Videotron Ltd./Videotron Ltee. 3.625% 06-15-2028	287,000	259	268
Waste Management of Canada Corp. 2.60% 09-23-2026	65,000	65	62
WildBrain Ltd. 5.875% 09-30-2024	25,000	24	24
Total Corporate - Non-convertible		20,612	20,477
Corporate - Convertible			
The Cannabist Company Holdings Inc. 6.00% 06-29-2025 Conv.	5,000	6	5
Total Corporate - Convertible		6	5
Mortgage Backed			
Scotia Capital Inc. 1.25% 03-01-2025	139,000	85	82
Total Mortgage Backed		85	82
Total Canadian Bonds		22,376	22,196
United States Bonds			
Federal Government			
United States Treasury 1.875% 02-15-2032	225,000	258	256
United States Treasury 2.375% 02-15-2042	70,000	73	71
United States Treasury 2.75% 08-15-2032	35,000	43	43
United States Treasury Inflation Index 0.125% 01-15-2032 Real Return	400,000	519	517

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United States Bonds (continued)			
Federal Government (continued)			
United States Treasury Inflation Index 0.125% 02-15-2051 Real Return	750,000	798	731
United States Treasury Inflation Index 0.125% 02-15-2052 Real Return	797,000	877	720
Total Federal Government		2,568	2,338
Corporate - Non-convertible			
Acuris Finance US Inc./Acuris Finance SARL 5.00% 05-01-2028 144A	83,000	93	90
Air Lease Corp. 5.40% 06-01-2028	13,000	13	13
Albertsons Companies Inc./Safeway Inc./New Albertsons LP/Albertsons LLC 3.25% 03-15-2026 144A	100,000	127	126
Albertsons Companies Inc./Safeway Inc./New Albertsons LP/Albertsons LLC 4.625% 01-15-2027	67,000	87	86
Alphabet Inc. 1.90% 08-15-2040	225,000	205	207
Alphabet Inc. 2.05% 08-15-2050	300,000	251	249
Alphabet Inc. 2.25% 08-15-2060	42,000	34	35
Amazon.com Inc. 3.60% 04-13-2032	33,000	41	42
Amazon.com Inc. 4.70% 12-01-2032	29,000	39	40
Amazon.com Inc. 4.80% 12-05-2034	100,000	136	137
Apple Inc. 1.70% 08-05-2031	184,000	201	204
Apple Inc. 2.65% 02-08-2051	300,000	276	274
Apple Inc. 2.65% 05-11-2050	300,000	277	275
Ardagh Metal Packaging Finance USA LLC/Ardagh Metal Packaging Finance PLC 4.00% 09-01-2029 144A	67,000	73	75
Ashton Woods USA LLC/Ashton Woods Finance Co. 4.625% 04-01-2030	5,000	6	6
Ashton Woods USA LLC/Ashton Woods Finance Co. 4.625% 08-01-2029	90,000	101	107
AT&T Inc. 4.30% 02-15-2030	50,000	64	65
Athene Global Funding 2.10% 09-24-2025	30,000	27	28
Athene Global Funding 2.47% 06-09-2028	16,000	14	14
Athene Global Funding Floating Rate 04-09-2024	99,000	99	99
Ball Corp. 2.875% 08-15-2030	31,000	35	35
Bank of America Corp. 1.978% 09-15-2027	170,000	156	159
Bank of America Corp. 2.598% 04-04-2029	45,000	45	41
Bank of America Corp. 3.615% 03-16-2028	37,000	37	36
Block Inc. 3.50% 06-01-2031	31,000	36	37
Broadcom Inc. 4.11% 09-15-2028	51,000	65	66
Carnival Corp. 9.875% 08-01-2027 144A	42,000	59	58
CCO Holdings LLC 4.50% 05-01-2032	20,000	21	23

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United States Bonds (continued)			
Corporate - Non-convertible (continued)			
Centene Corp. 3.375% 02-15-2030	126,000	146	150
Centene Corp. 4.625% 12-15-2029	17,000	21	22
Charter Communications Operating LLC 2.80% 04-01-2031	25,000	27	28
Charter Communications Operating LLC 4.50% 02-01-2024	39,000	50	52
Charter Communications Operating LLC 5.05% 03-30-2029	475,000	605	624
Charter Communications Operating LLC/Charter Communications Operating Capital Corp. 2.30% 02-01-2032	35,000	34	37
Charter Communications Operating LLC/Charter Communications Operating Capital Corp. 6.15% 11-10-2026	7,000	10	9
Chevron Corp. 2.236% 05-11-2030	150,000	174	176
Chevron USA Inc. 2.343% 08-12-2050	250,000	215	213
Clean Harbors Inc. 6.375% 02-01-2031 144A	83,000	113	112
Clearway Energy Operating LLC 3.75% 01-15-2032 144A	17,000	19	20
Clearway Energy Operating LLC 3.75% 02-15-2031 144A	17,000	19	20
Clydesdale Acquisition Holdings Inc. 8.75% 04-15-2030 144A	67,000	84	82
Coinbase Global Inc. 3.625% 10-01-2031 144A	116,000	103	118
CommScope Finance LLC 8.25% 03-01-2027 144A	17,000	20	12
CommScope Inc. 4.75% 09-01-2029 144A	66,000	67	59
Continental Resources Inc. 4.90% 06-01-2044	113,000	118	121
Covanta Holding Corp. 4.875% 12-01-2029 144A	25,000	30	29
Crocs Inc. 4.125% 08-15-2031 144A	17,000	19	19
CROWN Americas LLC 5.25% 04-01-2030	83,000	106	108
CSC Holdings LLC 5.75% 01-15-2030	40,000	33	33
Devon Energy Corp. 4.50% 01-15-2030	33,000	42	42
Diamondback Energy Inc. 3.50% 12-01-2029	50,000	60	62
DISH DBS Corp. 5.25% 12-01-2026 144A	110,000	119	125
DISH Network Corp. 11.75% 11-15-2027 144A	88,000	115	122
Electronic Arts Inc. 2.95% 02-15-2051	217,000	193	204
Embecka Corp. 5.00% 02-15-2030	50,000	59	56
Expedia Group Inc. 2.95% 03-15-2031	58,000	63	68
Exxon Mobil Corp. 3.095% 08-16-2049	250,000	248	248
FAGE International SA 5.625% 08-15-2026	200,000	261	259
Fair Isaac Corp. 4.00% 06-15-2028 144A	83,000	104	104
Ford Motor Co. 3.25% 02-12-2032	100,000	124	110
Ford Motor Credit Co. LLC 2.70% 08-10-2026	67,000	81	82
Frontier Communications Holdings LLC 6.75% 05-01-2029	12,000	14	14
Gartner Inc. 3.625% 06-15-2029	183,000	218	220

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United States Bonds (continued)			
Corporate - Non-convertible (continued)			
General Motors Co. 6.80% 10-01-2027	25,000	35	35
Hasbro Inc. 3.55% 11-19-2026	67,000	85	84
HCA Inc. 3.50% 09-01-2030	334,000	393	402
Heartland Dental LLC/Heartland Dental Finance Corp. 10.50% 04-30-2028	35,000	47	48
Hilton Domestic Operating Co. Inc. 4.875% 01-15-2030	67,000	84	86
IIP Operating Partnership LP 5.50% 05-25-2026	67,000	79	82
Innophos Holdings Inc. 9.375% 02-15-2028 144A	42,000	58	51
Iron Mountain Inc. 5.00% 07-15-2028 144A	50,000	63	64
Iron Mountain Inc. 5.25% 07-15-2030 144A	83,000	101	105
Jabil Inc. 3.00% 01-15-2031	133,000	149	153
Kronos Acquisition Holdings Inc./KIK Custom Products Inc. 5.00% 12-31-2026 144A	83,000	103	108
LABL Escrow Issuer LLC 10.50% 07-15-2027 144A	58,000	75	74
LABL Inc. 8.25% 11-01-2029	100,000	114	113
Lamb Weston Holdings Inc. 4.375% 01-31-2032	100,000	121	121
Level 3 Financing Inc. 3.75% 07-15-2029 144A	25,000	21	14
Marriott International Inc. 4.90% 04-15-2029	50,000	66	67
Mauser Packaging Solutions Holding Co. 7.875% 08-15-2026 144A	66,000	88	89
Mav Acquisition Corp. 5.75% 08-01-2028	15,000	19	19
Mav Acquisition Corp. 5.75% 08-01-2028 144A	100,000	121	128
McDonald's Corp. 2.125% 03-01-2030	142,000	161	165
Mercer International Inc. 5.125% 02-01-2029	42,000	48	48
Micron Technology Inc. 5.375% 04-15-2028	51,000	68	69
Microsoft Corp. 2.525% 06-01-2050	500,000	461	454
Microsoft Corp. 3.45% 08-08-2036	100,000	120	122
Minerva Merger Sub Inc. 6.50% 02-15-2030 144A	150,000	165	181
Moody's Corp. 2.00% 08-19-2031	67,000	72	74
Mozart Debt Merger Sub Inc. 3.875% 04-01-2029 144A	197,000	231	236
MPT Operating Partnership LP/MPT Finance Corp. 4.625% 08-01-2029	42,000	41	40
MSCI Inc. 3.25% 08-15-2033 144A	150,000	162	167
Nestle Holdings Inc. 2.192% 01-26-2029	14,000	13	13
Novelis Corp. 4.75% 01-30-2030 144A	44,000	54	55
NVIDIA Corp. 3.50% 04-01-2050	133,000	142	148
Open Text Holdings Inc. 4.125% 12-01-2031 144A	48,000	52	56
Oracle Corp. 2.875% 03-25-2031	50,000	56	59
Organon Finance 1 LLC 5.125% 04-30-2031 144A	25,000	29	28
Owens & Minor Inc. 6.625% 04-01-2030 144A	67,000	78	85

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United States Bonds (continued)			
Corporate - Non-convertible (continued)			
Pattern Energy Operations LP/Pattern Energy Operations Inc. 4.50% 08-15-2028 144A	33,000	40	41
Pearl Merger Sub Inc. 6.75% 10-01-2028 144A	115,000	134	138
Pediatrics Medical Group Inc. 5.375% 02-15-2030 144A	33,000	40	40
Pfizer Investment Enterprises Pte. Ltd. 4.65% 05-19-2030	49,000	66	65
Pfizer Investment Enterprises Pte. Ltd. 4.75% 05-19-2033	15,000	20	20
Pilgrim's Pride Corp. 4.25% 04-15-2031	88,000	104	105
Pioneer Natural Resources Co. 2.15% 01-15-2031	167,000	181	189
S&P Global Inc. 2.30% 08-15-2060	26,000	21	21
Sabre GBLB Inc. 8.625% 06-01-2027 144A	44,000	51	53
Schlumberger Holdings Corp. 3.90% 05-17-2028	142,000	183	183
Sealed Air Corp. 5.00% 04-15-2029 144A	67,000	85	87
Sealed Air Corp. 6.125% 02-01-2028 144A	58,000	79	78
Silgan Holdings Inc. 4.125% 02-01-2028	60,000	75	76
Smyrna Ready Mix 8.875% 11-15-2031 144A	30,000	41	42
Southwestern Energy Co. 5.375% 03-15-2030	40,000	50	52
Superior Plus LP/Superior General Partner Inc. 4.50% 03-15-2029 144A	83,000	100	102
Tenet Healthcare Corp. 4.25% 06-01-2029	75,000	91	93
Tenet Healthcare Corp. 4.375% 01-15-2030 144A	80,000	95	98
Tenet Healthcare Corp. 4.875% 01-01-2026	33,000	43	43
Tenet Healthcare Corp. 6.125% 10-01-2028	167,000	212	220
The Goldman Sachs Group Inc. 2.013% 02-28-2028	77,000	70	69
The Goldman Sachs Group Inc. 2.599% 11-30-2027	74,000	74	70
T-Mobile USA Inc. 2.55% 02-15-2031	93,000	102	106
T-Mobile USA Inc. 4.75% 02-01-2028	34,000	45	45
T-Mobile USA Inc. 5.20% 01-15-2033	26,000	34	35
Uber Technologies Inc. 8.00% 11-01-2026 144A	42,000	58	57
Univision Communications Inc. 4.50% 05-01-2029	10,000	12	12
Univision Communications Inc. 4.50% 05-01-2029 144A	66,000	77	78
Univision Communications Inc. 7.375% 06-30-2030 144A	17,000	22	23
US Foods Inc. 4.75% 02-15-2029 144A	44,000	54	56
Verde Purchaser LLC 10.50% 11-30-2030 144A	50,000	69	67
Verizon Communications Inc. 2.375% 03-22-2028	153,000	139	142
Viasat Inc. 6.50% 07-15-2028	33,000	35	36
Virgin Media Secured Finance PLC 4.50% 08-15-2030	30,000	34	35
Visa Inc. 2.00% 08-15-2050	292,000	236	240
VistaJet Malta Finance PLC/XO Management Holding Inc. 9.50% 06-01-2028	30,000	40	34

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United States Bonds (continued)			
Corporate - Non-convertible (continued)			
Wells Fargo & Co. 2.975% 05-19-2026	30,000	32	29
Welltower Inc. 4.25% 04-15-2028	25,000	32	33
Zoetis Inc. 2.00% 05-15-2030	19,000	21	22
Total Corporate - Non-convertible		13,004	13,165
Total United States Bonds		15,572	15,503
Global Bonds			
Australia			
Commonwealth of Australia 1.75% 06-21-2051	300,000	169	160
Transurban Finance Co. Pty Ltd. 4.555% 11-14-2028	110,000	109	109
Austria			
Suzano Austria GmbH 2.50% 09-15-2028	32,000	36	37
Bahamas			
Commonwealth of Bahamas 6.00% 11-21-2028	67,000	75	79
Commonwealth of Bahamas 8.95% 10-15-2032	10,000	12	12
Bermuda			
Weatherford International Ltd. 8.625% 04-30-2030 144A	117,000	163	162
Cayman Islands			
Avolon Holdings Funding Ltd. 6.375% 05-04-2028 144A	92,000	121	124
Country Garden Holdings Co. Ltd. 2.70% 07-12-2026	200,000	164	22
Country Garden Holdings Co. Ltd. 5.625% 01-14-2030	200,000	168	22
Sunac China Holdings Ltd. 1.00% 09-30-2032	21,793	8	2
Sunac China Holdings Ltd. 6.00% 09-30-2025	17,630	6	3
Sunac China Holdings Ltd. 6.25% 09-30-2026	17,630	6	3
Sunac China Holdings Ltd. 6.50% 09-30-2027	35,260	13	4
Sunac China Holdings Ltd. 6.75% 09-30-2028	52,890	19	6
Sunac China Holdings Ltd. 7.00% 09-30-2029	52,890	19	6
Sunac China Holdings Ltd. 7.25% 09-30-2030	24,847	9	2
Finland			
Spa Holdings 3 Oy 4.875% 02-04-2028 144A	67,000	79	78

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Global Bonds (continued)			
France			
Altice France 5.125% 07-15-2029 144A	300,000	323	310
Germany			
Federal Republic of Germany 0.00% 08-15-2052	270,000	186	210
Federal Republic of Germany 0.10% 04-15-2046 Real Return	150,000	275	275
Ireland			
AerCap Ireland Capital DAC/AerCap Global Aviation Trust 3.00% 10-29-2028	31,000	36	38
Perrigo Finance Unlimited Co. 4.40% 06-15-2030	25,000	30	30
Jersey			
Heathrow Funding Ltd. 3.726% 04-13-2033	46,000	47	42
Heathrow Funding Ltd. 3.782% 09-04-2030	37,000	36	35
Luxembourg			
ARD Finance SA 6.50% 06-30-2027 144A	67,000	75	42
Aroundtown SA 4.625% 09-18-2025	162,000	161	156
Kleopatra Finco SARL 4.25% 03-01-2026	100,000	123	121
Mexico Remittances Funding Fiduciary Estate Management SARL 4.875% 01-15-2028	190,000	211	223
Netherlands			
Alcoa Nederland Holding BV 5.50% 12-15-2027	50,000	67	65
Arcos Dorados BV 6.125% 05-27-2029	200,000	257	263
UPC Broadband Finco BV 4.875% 07-15-2031 144A	67,000	78	78
Ziggo BV 4.875% 01-15-2030 144A	50,000	58	59
United Kingdom			
International Game Technology PLC 2.375% 04-15-2028	100,000	129	136
Supra - National			
Canpack SA and Eastern PA Land Investment Holding LLC 3.875% 11-15-2029 144A	100,000	111	114

Managed Fund (Laketon) SF035

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or <u>Par Value</u>	Average <u>Cost</u>	Fair <u>Value</u>
Global Bonds (continued)			
Supra - National (continued)			
VistaJet Malta Finance PLC/XO Management Holding Inc. 6.375% 02-01-2030	58,000	72	54
Total Global Bonds		3,451	3,082
Total Bonds		41,399	40,781
Canadian Common Stock			
Communication Services			
Cogeco Communications Inc. sub. voting	2,185	202	130
Rogers Communications Inc. Class B non-voting	5,724	327	355
TELUS Corp.	39,036	1,037	920
TELUS International Inc.	11,730	404	133
Consumer Discretionary			
Dollarama Inc.	2,694	189	257
Magna International Inc.	4,614	360	361
Restaurant Brands International Inc.	4,797	334	497
Consumer Staples			
Alimentation Couche-Tard Inc.	6,385	258	498
Loblaw Companies Ltd.	7,793	840	1,000
Energy			
AltaGas Ltd.	538	14	15
ARC Resources Ltd.	4,431	89	87
Canadian Natural Resources Ltd.	15,645	1,027	1,358
Enbridge Inc.	18,854	876	899
Pembina Pipeline Corp.	11,273	569	514
Pembina Pipeline Corp. Subscription Receipt	870	37	39
Suncor Energy Inc.	19,823	905	841
TC Energy Corp.	19,264	1,099	997
Tourmaline Oil Corp.	5,160	291	307
Exchange Traded Funds			
iShares S&P/TSX 60 Index Fund ETF	4,296	126	138
iShares S&P/TSX Global Gold Index ETF	17,592	320	313

Managed Fund (Laketon) SF035

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or <u>Par Value</u>	Average <u>Cost</u>	Fair <u>Value</u>
Canadian Common Stock (continued)			
Exchange Traded Funds (continued)			
Mackenzie Canadian All Corporate Bond Index ETF *	4,418	397	413
Mackenzie Canadian Short Term Bond Index ETF *	4,212	398	408
Mackenzie Core Plus Global Fixed Income ETF *	16,099	269	265
Mackenzie Emerging Markets Bond Index ETF *	4,141	310	321
Mackenzie Floating Rate Income ETF *	122,224	2,141	2,101
Mackenzie Global High Yield Fixed Income ETF *	31,351	539	543
Mackenzie US Investment Grade Corporate Bond Hedged to CAD Index ETF *	4,685	394	410
Financials			
Bank of Montreal	13,914	1,552	1,824
Brookfield Asset Management Inc. Class A	5,739	191	305
Brookfield Corp.	8,822	273	469
Intact Financial Corp.	4,507	656	919
Manulife Financial Corp.	22,299	473	653
Royal Bank of Canada	16,542	1,566	2,218
Sun Life Financial Inc.	15,044	920	1,034
The Bank of Nova Scotia	11,806	770	761
The Toronto-Dominion Bank	17,498	1,173	1,498
Thomson Reuters Corp.	1,270	167	246
Industrials			
CAE Inc.	11,441	382	327
Canadian National Railway Co.	6,365	739	1,060
Canadian Pacific Kansas City Ltd.	11,782	830	1,235
Finning International Inc.	6,845	221	262
Toromont Industries Ltd.	2,142	234	249
Information Technology			
CGI Group Inc. Class A sub. voting	3,880	346	551
Open Text Corp.	10,095	490	562
Materials			
Agnico Eagle Mines Ltd.	9,296	797	675
Barrick Gold Corp.	22,593	570	541
CCL Industries Inc. Class B non-voting	10,368	626	618
Franco-Nevada Corp.	525	97	77

*The issuer of this security is a related company to the issuer of the Fund.

Managed Fund (Laketon) SF035

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or <u>Par Value</u>	Average <u>Cost</u>	Fair <u>Value</u>
Canadian Common Stock (continued)			
Materials (continued)			
Nutrien Ltd.	8,251	636	616
Teck Resources Ltd. Class B	4,853	186	272
Real Estate			
Canadian Apartment Properties REIT	2,064	91	101
Choice Properties REIT	15,920	221	222
Granite REIT Holdings LP	2,232	174	170
Utilities			
Boralex Inc. Class A	3,068	133	103
Emera Inc.	11,027	599	555
Fortis Inc.	3,911	206	213
Northland Power Inc.	16,358	503	394
Total Canadian Common Stock		29,574	32,850
Canadian Preferred Stock			
Communication Services			
BCE Inc. 2.75% Preferred	137	2	2
BCE Inc. 3.61% Preferred	773	12	13
BCE Inc. 4.13% Preferred	38	1	1
Consumer Staples			
Loblaw Companies Ltd. 5.30% Preferred	165	4	3
Energy			
TransAlta Corp. 4.027% Preferred	130	2	2
Financials			
Brookfield Corp. 4.80% Preferred Conv.	428	11	8
Utilities			
Emera Inc. 4.25% Preferred	36	1	1
Emera Inc. 4.60% Preferred	345	9	6
TransAlta Corp. 2.709% Preferred	387	5	5
Total Canadian Preferred Stock		47	41

Managed Fund (Laketon) SF035

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or <u>Par Value</u>	Average <u>Cost</u>	Fair <u>Value</u>
United States Common Stock			
Communication Services			
Alphabet Inc. Class A	3,538	493	655
Meta Platforms Inc.	769	323	361
Consumer Discretionary			
Amazon.com Inc.	3,103	447	625
AutoZone Inc.	57	207	195
McDonald's Corp.	854	262	336
Starbucks Corp.	1,466	169	186
Consumer Staples			
Altria Group Inc.	4,695	286	251
Colgate Palmolive Co.	2,191	224	231
PepsiCo Inc.	972	202	219
Philip Morris International Inc.	4,409	565	550
Walmart Inc.	1,219	241	255
Energy			
Chevron Corp.	2,703	604	534
Schlumberger Ltd.	3,665	220	253
The Williams Companies Inc.	5,913	268	273
Exchange Traded Funds			
iShares MSCI EAFE Index Fund	1,055	100	105
SPDR S&P 500 ETF Trust	250	151	157
Financials			
CME Group Inc.	1,645	410	459
JPMorgan Chase & Co.	2,961	461	667
Moody's Corp.	311	119	161
S&P Global Inc.	736	310	430
Health Care			
AbbVie Inc.	2,138	395	439
Becton, Dickinson and Co.	1,050	334	339
Johnson & Johnson Inc.	2,065	457	429
McKesson Corp.	336	174	206
Thermo Fisher Scientific Inc.	247	178	174

Managed Fund (Laketon) SF035

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or <u>Par Value</u>	Average <u>Cost</u>	Fair <u>Value</u>
United States Common Stock (continued)			
Health Care (continued)			
UnitedHealth Group Inc.	541	382	377
Industrials			
Equifax Inc.	559	134	183
Honeywell International Inc.	1,523	365	423
Northrop Grumman Corp.	388	263	241
Union Pacific Corp.	936	254	305
Information Technology			
Apple Inc.	2,456	437	627
Broadcom Inc.	451	315	667
Lam Research Corp.	365	238	379
Microsoft Corp.	2,694	844	1,342
Motorola Solutions Inc.	1,128	302	468
NVIDIA Corp.	521	329	342
Oracle Corp.	1,176	182	164
Texas Instruments Inc.	688	139	155
Visa Inc. Class A	1,444	373	498
Materials			
The Sherwin-Williams Co.	434	142	179
Real Estate			
American Tower Corp. REIT Class A	917	299	262
Total United States Common Stock		12,598	15,102
Global Common Stock			
Bermuda			
Brookfield Infrastructure Partners LP Partnership Units	6,307	308	263
Denmark			
Novo Nordisk AS	3,510	256	481
France			
Air Liquide SA	1,277	243	329
L'Oreal SA	202	110	133

Managed Fund (Laketon) SF035

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or <u>Par Value</u>	Average <u>Cost</u>	Fair <u>Value</u>
Global Common Stock (continued)			
France (continued)			
LVMH Moet Hennessy Louis Vuitton SE	229	179	246
Pernod Ricard SA *	585	138	137
Safran SA	1,853	235	432
Germany			
Deutsche Boerse AG	2,175	451	593
SAP SE	2,721	360	555
Siemens AG	756	171	188
Hong Kong			
AIA Group Ltd.	11,400	148	132
India			
HDFC Bank Ltd. ADR	2,237	161	199
Ireland			
Aon Corp.	994	289	383
CRH PLC	2,570	183	236
Linde PLC	543	215	295
Japan			
Hoya Corp.	1,300	164	215
ITOCHU Corp.	4,000	210	217
Japan Exchange Group Inc.	9,900	196	277
Keyence Corp.	436	209	254
Sony Group Corp.	3,279	372	413
Jersey			
Ferguson PLC	637	146	163
Glencore Xstrata PLC	24,960	202	199
Luxembourg			
Eurofins Scientific SE	1,289	145	111

*The issuer of this security is a related company to the issuer of the Fund.

Managed Fund (Laketon) SF035

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or <u>Par Value</u>	Average <u>Cost</u>	Fair <u>Value</u>
Global Common Stock (continued)			
Netherlands			
Heineken Holdings NV	2,038	196	228
Wolters Kluwer NV	1,458	171	274
Singapore			
DBS Group Holdings Ltd.	8,000	229	268
Spain			
Amadeus IT Group SA	3,464	256	329
Sweden			
Atlas Copco AB Class A	9,841	136	224
Switzerland			
Nestle SA	2,717	386	417
Roche Holding AG	1,091	445	420
Sika AG	358	116	154
Taiwan			
Taiwan Semiconductor Manufacturing Co. Ltd. ADR	3,177	407	438
United Kingdom			
AstraZeneca PLC	2,289	416	410
Diageo PLC	3,314	157	160
Shell PLC	9,054	347	393
Total Global Common Stock		8,353	10,166

Managed Fund (Laketon) SF035

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or <u>Par Value</u>	Average <u>Cost</u>	Fair <u>Value</u>
Global Preferred Stock			
Bermuda			
Brookfield Renewable Partners LP 5.00% Preferred	340	8	6
Total Global Preferred Stock		8	6
Total Stocks		50,580	58,165

Managed Fund (Laketon) SF035

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, contracts, shares, par value or contract price)

As at December 31, 2023

Schedule of Derivative Contracts

Forward Currency Contracts

Contract Price	Settlement Date	Purchased Currency		Sold Currency		Unrealized Gain (Loss)
		Currency	Value as at December 31	Currency	Value as at December 31	
1.3607	January 11, 2024	Canadian Dollar	8,510	United States Dollar	8,341	169
1.3596	January 11, 2024	Canadian Dollar	306	United States Dollar	300	6
1.3572	January 11, 2024	Canadian Dollar	57	United States Dollar	56	1
1.1482	January 16, 2024	Australian Dollar	5	Canadian Dollar	4	1
1.1436	January 16, 2024	Australian Dollar	5	Canadian Dollar	4	1
1.1281	January 16, 2024	Australian Dollar	7	Canadian Dollar	7	-
0.8890	January 16, 2024	Canadian Dollar	2	Australian Dollar	2	-
0.8798	January 16, 2024	Canadian Dollar	3	Australian Dollar	3	-
0.8983	January 16, 2024	Canadian Dollar	4	Australian Dollar	4	-
0.9040	January 16, 2024	Canadian Dollar	4	Australian Dollar	4	-
1.1066	January 16, 2024	Australian Dollar	148	Canadian Dollar	148	-
1.3461	January 18, 2024	Canadian Dollar	950	United States Dollar	939	11
1.3445	January 18, 2024	Canadian Dollar	641	United States Dollar	634	7
1.3463	January 18, 2024	Canadian Dollar	241	United States Dollar	238	3
1.3488	January 24, 2024	Canadian Dollar	911	United States Dollar	899	12
1.3601	January 24, 2024	Canadian Dollar	288	United States Dollar	283	5
1.3692	January 25, 2024	Canadian Dollar	8,296	United States Dollar	8,093	203
1.3757	January 25, 2024	Canadian Dollar	392	United States Dollar	381	11
1.3757	January 25, 2024	Canadian Dollar	392	United States Dollar	381	11
1.3713	January 25, 2024	Canadian Dollar	345	United States Dollar	336	9
1.3576	January 25, 2024	Canadian Dollar	162	United States Dollar	159	3
1.4840	January 25, 2024	Canadian Dollar	22	Euro	22	-
1.4666	January 25, 2024	Canadian Dollar	43	Euro	43	-
1.3688	February 4, 2024	Canadian Dollar	943	United States Dollar	920	23
1.3487	February 8, 2024	Canadian Dollar	2,036	United States Dollar	2,009	27
1.3369	February 8, 2024	Canadian Dollar	277	United States Dollar	275	2
1.3824	February 15, 2024	Canadian Dollar	1,180	United States Dollar	1,142	38
1.3680	February 15, 2024	Canadian Dollar	616	United States Dollar	601	15
1.3833	February 15, 2024	Canadian Dollar	398	United States Dollar	385	13
1.3566	February 15, 2024	Canadian Dollar	295	United States Dollar	290	5
1.3578	February 15, 2024	Canadian Dollar	216	United States Dollar	212	4
1.3663	February 15, 2024	Canadian Dollar	133	United States Dollar	130	3
1.3359	February 15, 2024	Canadian Dollar	277	United States Dollar	275	2
0.9019	March 12, 2024	Canadian Dollar	69	Australian Dollar	69	-
0.9022	March 12, 2024	Canadian Dollar	69	Australian Dollar	69	-
0.9046	March 12, 2024	Canadian Dollar	4	Australian Dollar	4	-
Derivatives - Assets						585

Managed Fund (Laketon) SF035

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, contracts, shares, par value or contract price)

As at December 31, 2023

Schedule of Derivative Contracts

Forward Currency Contracts

Contract Price	Settlement Date	Purchased Currency		Sold Currency		Unrealized Gain (Loss)
		Currency	Value as at December 31	Currency	Value as at December 31	
0.7516	January 11, 2024	United States Dollar	517	Canadian Dollar	519	(2)
0.7312	January 11, 2024	United States Dollar	1,243	Canadian Dollar	1,283	(40)
0.8720	January 16, 2024	Canadian Dollar	131	Australian Dollar	136	(5)
0.7340	January 24, 2024	United States Dollar	262	Canadian Dollar	270	(8)
1.4390	January 25, 2024	Canadian Dollar	48	Euro	49	(1)
1.4409	January 25, 2024	Canadian Dollar	930	Euro	940	(10)
0.7344	February 8, 2024	United States Dollar	436	Canadian Dollar	448	(12)
Derivatives - Liabilities						(78)
Total Forward Currency Contracts						507

Futures Contracts

No. of Contracts	Average Contract Price	Futures Contracts	Maturity Date	Notional Amount	Price as at December 31	Unrealized Gain (Loss)
(4)	CAD 145.04	JPN 10YR BOND (OSE) 03-31-2024	March 31, 2024	JPY 586,840	CAD 146.71	13
Derivatives - Assets						13
Total Futures Contracts						13

Total Derivative Instruments at Fair Value

520

Transaction Costs (note 2)

(17)

Total Investments

91,962

99,466

Managed Fund (Laketon) SF035

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

Introduction

The objective of the Managed Fund (Laketon) SF035 (the Fund) in managing risk is the creation and protection of contractholder value. Risk is inherent in the Fund's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. The process of risk management is critical to the Fund's continuing profitability. The Fund can be exposed to liquidity risk, market risk (which includes currency risk, interest rate risk and other price risk) and credit risk arising from the financial instruments it holds.

A. Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023, and groups the securities by asset type, geographic region and/or market segment. The following sections describe the significant risks that are relevant to the Fund.

To assist with managing risk, The Canada Life Assurance Company (Canada Life or the Company) maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and other regulations.

B. Liquidity Risk

Liquidity risk arises when a fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units by contractholders. The Fund retains sufficient cash and cash equivalent positions to maintain adequate liquidity to meet the obligation to fund daily cash redemptions of their redeemable units.

Some securities are illiquid due to legal restrictions on their resale, the nature of the investment, or simply a lack of interested buyers for a particular security or security type. Certain securities may become less liquid due to changes in market conditions, such as interest rate changes or market volatility, which could impair the ability of a fund to sell such securities quickly.

In accordance with the Fund's policy, the Company monitors the Fund's liquidity positions on a regular basis.

C. Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The classifications used on the Schedule of Investment Portfolio for the financial instruments are based on the country of issue.

Managed Fund (Laketon) SF035

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

C. Currency Risk (continued)

The table below indicates the foreign currencies to which the Fund had significant exposure as at December 31, 2023 in Canadian dollar terms, including the underlying principal amount of forward currency contracts, if any. The table also illustrates the potential impact to the Fund's net assets attributable to contractholders, all other variables held constant, as a result of a 1% change in these currencies relative to the Canadian dollar. In practice, the actual results may differ from this sensitivity analysis and the difference could be significant.

2023

Currency	Investments	Cash, Short-term Deposits and Overdrafts	Total*	Impact on Net Assets Attributable to Contractholders
United States Dollar	\$ 18,297	\$ 835	\$ 19,132	\$ 191
Euro	3,574	23	3,597	36
Other Currencies	4,689	17	4,706	47
Total	\$ 26,560	\$ 875	\$ 27,435	\$ 274
As Percent of Net Assets Attributable to Contractholders			27.0%	0.3%

*Includes both monetary and non-monetary instruments

2022

Currency	Investments	Cash, Short-term Deposits and Overdrafts	Total*	Impact on Net Assets Attributable to Contractholders
United States Dollar	\$ 22,716	\$ 795	\$ 23,511	\$ 235
Euro	3,504	(4)	3,500	35
Other Currencies	5,258	49	5,307	53
Total	\$ 31,478	\$ 840	\$ 32,318	\$ 323
As Percent of Net Assets Attributable to Contractholders			29.7%	0.3%

*Includes both monetary and non-monetary instruments

D. Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund is exposed to the risk that the value of interest-bearing financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. Due to the nature of short-term fixed income securities with a remaining term-to-maturity of less than one year, these investments are not generally exposed to a significant risk that their value will fluctuate in response to changes in the prevailing levels of market interest rates. The risk is professionally managed at the security and fund level by the Company.

Managed Fund (Laketon) SF035

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

D. Interest Rate Risk (continued)

The table below summarizes the Fund's exposure to interest rate risk by remaining term-to-maturity.

2023						
	1 year or less	Over 1 year to 5 years	Over 5 years to 10 years	Over 10 years	Total	
Bonds	\$ 318	\$ 12,073	\$ 16,059	\$ 12,331	\$ 40,781	

2022						
	1 year or less	Over 1 year to 5 years	Over 5 years to 10 years	Over 10 years	Total	
Bonds	\$ 1,145	\$ 15,892	\$ 20,118	\$ 13,537	\$ 50,692	

As at December 31, 2023, had prevailing interest rates increased or decreased by 1% assuming a parallel shift in the yield curve, with all other variables held constant, net assets attributable to contractholders would have decreased or increased, respectively, by approximately \$2,342 (\$3,613 at December 31, 2022) or approximately 2.3% (3.3% at December 31, 2022). The Fund's sensitivity to interest rate changes was estimated using the weighted average duration of the bond portfolio. In practice, the actual results may differ and the difference could be significant.

E. Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund's greatest concentration of credit risk is in debt securities, such as bonds. The fair value of debt instruments includes consideration of the creditworthiness of the debt issuer. The carrying amount of debt instruments represents the maximum credit risk exposure as at December 31, 2023. The amount of credit risk to any one issuer may be determined from the information reported in the Schedule of Investment Portfolio. The Fund may invest in short-term fixed income securities issued or guaranteed primarily by the Government of Canada or any Canadian provincial government, obligations of Canadian chartered banks or trust companies, and commercial paper with approved credit ratings. The risk of default on these short-term fixed income securities is considered low. The Company monitors credit risk and credit ratings on a regular basis. All new counterparties to financial instruments are subject to an approval process.

There was no change in fair values of financial liabilities as a result of changes in credit risks during 2023 or 2022.

All transactions in listed securities are settled and paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker.

Managed Fund (Laketon) SF035

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

E. Credit Risk (continued)

Credit ratings disclosed below are obtained from independent rating agencies including DBRS, Standard & Poor's, Moody's Investors Service and Fitch Ratings. The lowest rating provided by the agencies is used.

Debt securities by credit rating are as follows:

	2023		2022	
	Percent of Total Bonds (%)	Percent of Total Net Assets Attributable to Contractholders (%)	Percent of Total Bonds (%)	Percent of Total Net Assets Attributable to Contractholders (%)
AAA	4.4	1.8	5.5	2.6
AA	14.4	5.8	23.8	11.1
A	10.7	4.3	35.2	16.4
BBB	28.7	11.5	28.6	13.3
BB and lower	40.4	16.2	6.7	3.1
NR *	1.4	0.6	0.2	0.1
Total	100.0	40.2	100.0	46.6

*Bonds disclosed as NR are mortgage backed securities or privately placed bonds or bonds that have not been rated by a rating agency.

F. Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. The Fund Manager moderates this risk through careful selection of securities and other financial instruments within the parameters of the investment strategy. The maximum risk resulting from financial instruments is equivalent to their fair value.

For the Fund, the most significant exposure to other price risk arises from its investment in equity securities. As at December 31, 2023, had the prices on the respective stock exchanges for these securities increased or decreased by 1%, with all other variables held constant, assets would have increased (or decreased) by approximately \$582 (\$561 at December 31, 2022) or approximately 0.6% (0.5% at December 31, 2022) of total net assets attributable to contractholders. In practice, the actual results may differ and the difference could be significant.

Managed Fund (Laketon) SF035

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

G. Fair Value Classification

The following table presents information about the Fund's assets and liabilities measured at fair value on a recurring basis and indicates the fair value hierarchy of the valuation techniques utilized by the Fund to determine such fair value:

2023				
Assets and Liabilities Measured at Fair Value				
<u>Assets measured at fair value</u>	Level 1	Level 2	Level 3	Total
Bonds	\$ —	\$ 40,768	\$ 13	\$ 40,781
Stocks	58,165	—	—	58,165
Derivatives	13	585	—	598
Total assets measured at fair value	\$ 58,178	\$ 41,353	\$ 13	\$ 99,544
<u>Liabilities measured at fair value</u>				
Derivatives ⁽¹⁾	\$ —	\$ 78	\$ —	\$ 78
Net assets attributable to contractholders measured at fair value	\$ 58,178	\$ 41,275	\$ 13	\$ 99,466

⁽¹⁾ Excludes collateral pledged to counterparties of \$69.

2022				
Assets and Liabilities Measured at Fair Value				
<u>Assets measured at fair value</u>	Level 1	Level 2	Level 3	Total
Bonds	\$ —	\$ 50,677	\$ 15	\$ 50,692
Stocks	56,109	—	—	56,109
Derivatives	26	6	—	32
Total assets measured at fair value	\$ 56,135	\$ 50,683	\$ 15	\$ 106,833
<u>Liabilities measured at fair value</u>				
Derivatives ⁽¹⁾	\$ —	\$ 155	\$ —	\$ 155
Net assets attributable to contractholders measured at fair value	\$ 56,135	\$ 50,528	\$ 15	\$ 106,678

⁽¹⁾ Excludes collateral pledged to counterparties of \$256.

There were no significant transfers between Level 1 and Level 2 during 2023 or 2022.

Managed Fund (Laketon) SF035

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

G. Fair Value Classification (continued)

The following table presents additional information about assets measured at fair value on a recurring basis and for which the Fund has utilized Level 3 inputs to determine fair value:

	<u>2023</u>	<u>2022</u>
	<u>Bonds</u>	<u>Bonds</u>
Balance, beginning of year	\$ 15	\$ 6
Total gain (loss) included in net assets from operations attributable to contractholders	(2)	—
Purchases	—	9
Sales	—	—
Settlements	—	—
Transfers into Level 3	—	—
Transfers out of Level 3	—	—
Balance, end of year	\$ 13	\$ 15
Total gain (loss) for the year included in net gain (loss) on investments for Level 3 assets held at the end of year	\$ (2)	\$ —

Managed Fund (Laketon) SF035

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Net Assets Attributable to Contractholders by Category

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
Flex	429,202	471,760	522,984	594,534	680,671	35,691	36,818	45,431	46,636	53,531
Generations/Mosaic	1,023,651	1,144,539	1,261,467	1,452,531	1,633,159	19,719	20,692	25,385	26,394	29,754
Generations I	557,564	643,961	725,501	945,472	1,150,253	9,009	9,764	12,243	14,407	17,573
Generations II	98,357	107,229	115,337	135,297	147,542	1,442	1,476	1,769	1,874	2,050
Generations Core	107,375	115,802	125,404	137,124	163,198	1,634	1,648	1,980	1,949	2,318
75/75 guarantee policy	161,531	178,410	198,173	231,891	262,866	2,641	2,729	3,362	3,541	4,011
75/100 guarantee policy	1,039,033	1,241,219	1,474,428	1,862,612	2,199,039	16,617	18,628	24,628	28,094	33,254
100/100 guarantee policy	35,322	47,108	50,646	77,109	102,017	560	702	841	1,156	1,535
PS1 75/75 guarantee policy	34,189	35,128	36,791	25,907	34,134	567	543	629	397	521
PS1 75/100 guarantee policy	222,104	252,048	260,039	288,550	304,552	3,620	3,835	4,382	4,369	4,599
PS1 100/100 guarantee policy	62,594	72,544	74,170	76,137	76,760	992	1,077	1,222	1,129	1,138
PS2 75/75 guarantee policy	182,326	214,959	232,433	298,961	232,935	3,908	4,203	4,916	5,549	4,212
PS2 75/100 guarantee policy	248,714	270,316	297,379	339,764	588,801	5,332	5,285	6,290	6,306	10,324
PS 75/75 guarantee policy	—	—	37	585	929	—	—	—	6	10
PS 75/100 guarantee policy	1,731	119,259	119,948	120,937	121,645	20	1,269	1,406	1,266	1,263

Net Assets Attributable to Contractholders Per Unit (note 6)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
Flex	83.16	78.04	86.87	78.44	78.65	5.12	(8.83)
Generations/Mosaic	19.26	18.08	20.12	18.17	18.22	1.18	(2.04)
Generations I	16.16	15.16	16.88	15.24	15.28	1.00	(1.72)
Generations II	14.66	13.77	15.33	13.85	13.90	0.89	(1.56)
Generations Core	15.21	14.23	15.79	14.21	14.20	0.98	(1.56)
75/75 guarantee policy	16.35	15.29	16.97	15.27	15.26	1.06	(1.68)
75/100 guarantee policy	15.99	15.01	16.70	15.08	15.12	0.98	(1.69)
100/100 guarantee policy	15.87	14.90	16.60	14.99	15.04	0.97	(1.70)
PS1 75/75 guarantee policy	16.58	15.46	17.09	15.33	15.27	1.12	(1.63)
PS1 75/100 guarantee policy	16.30	15.22	16.85	15.14	15.10	1.08	(1.63)
PS1 100/100 guarantee policy	15.86	14.84	16.47	14.83	14.82	1.02	(1.63)
PS2 75/75 guarantee policy	21.44	19.55	21.15	18.56	18.08	1.89	(1.60)
PS2 75/100 guarantee policy	21.44	19.55	21.15	18.56	18.08	1.89	(1.60)
PS 75/75 guarantee policy	—	—	11.86	10.55	10.43	—	—
PS 75/100 guarantee policy	11.47	10.64	11.72	10.47	10.38	0.83	(1.08)

Managed Fund (Laketon) SF035

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Fund is offered by The Canada Life Assurance Company.

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

Managed Fund (Laketon) SF035

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

Managed Fund (Laketon) SF035

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in fair value measurements in the notes to the Schedule of Investment Portfolio.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

Managed Fund (Laketon) SF035

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Bonds and Stocks

Bonds and stocks are recorded at fair value determined with reference to closing quoted market prices, where the last traded price falls within the day's bid-ask spread, primarily provided by third party independent pricing sources. Fair values are determined on the basis of the closing price for a security on the recognized exchange on which it is principally traded at each reporting date. In circumstances where the last traded price is not within the bid-ask spread, the Company determines the point when the bid-ask spread that is most representative of fair value based on the specific facts and circumstances.

The fair value of unlisted securities is established using quotations determined by a major dealer in a particular security. Should the quoted value for a security, in the opinion of the Fund Manager, be inaccurate, unreliable, or not readily available, the value of the security is estimated using valuation techniques. Valuation techniques include the market approach (using recent arm's-length market transactions adjusted as necessary and reference to the current market value of another instrument that is substantially the same) and the income approach (discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible).

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Derivatives

Derivatives are classified and measured at fair value. Derivatives are valued using market transactions and other market evidence whenever possible, including market based inputs to models, broker or dealer quotations or alternative pricing sources with reasonable levels of transparency. When models are used, the selection of a particular model to value a derivative depends on the contractual terms of, and specific risks inherent in, the instrument, as well as the availability of pricing information in the market. The Company generally uses similar models to value similar instruments. Valuation models require a variety of inputs, including contractual terms, market prices and rates, yield curves, credit curves, measures volatility, prepayment rates and correlations of such inputs.

f) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

Managed Fund (Laketon) SF035

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

g) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

Interest income on debt securities - included in the change in fair value of such investments and recorded on the accrual basis.

Dividend income - accrued as of the ex-dividend date and recorded on the accrual basis.

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

Miscellaneous income (loss)

Miscellaneous income (loss) generally includes the changes in foreign exchange rates between trade and settlement dates, foreign exchange rates on bank balances, securities lending income, derivative income, and management fee rebates.

h) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Managed Fund (Laketon) SF035

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

i) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

j) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

k) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

l) Income Allocation

Net gain (loss) on investments, which includes dividend income, interest income, realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the net asset value (NAV) per unit.

m) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

n) Transaction Costs

Transaction costs, such as brokerage commissions, incurred in the purchase and sale of securities by the Fund are charged to expenses in the year.

Managed Fund (Laketon) SF035

Notes to the Financial Statements

(in Canadian \$ thousands)

3. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Emperor,
- Flex,
- Generations/Mosaic,
- Generations I,
- Generations II,
- Generations Core,
- Prestige/Prestige Plus, and
- Private Collections.

In addition to the Individual units, units are available for:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

The categories of units, and the various levels within each, are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

4. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

Managed Fund (Laketon) SF035

Notes to the Financial Statements

(in Canadian \$ thousands)

5. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

6. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

7. DERIVATIVE FINANCIAL INSTRUMENTS

Derivative contracts, including forward currency, futures and equity swap contracts, are valued at the gain or loss that would arise as a result of closing the position at the reporting date. Options are recorded at fair value as at the reporting date. The Fund may use derivative contracts to hedge against losses caused by changes in securities prices, interest rates, exchange rates and/or other risks. The Fund may also use derivative contracts for non-hedging purposes in order to invest indirectly in financial markets or to gain exposure to other currencies, provided the use of such derivatives is consistent with the Fund's investment objectives and strategies. Foreign currency risk and exposure may be direct or indirect and can include all or a portion of the currency exposure of an existing investment or group of investments. Any such gain or loss on derivative contracts is recorded as part of net gain (loss) on investments.

As at the reporting date, the unrealized gain (loss) on derivative contracts is reflected on the Statement of Financial Position of the Fund.

The Fund manages derivative credit risk through collateral arrangements where required. The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are implemented by the Fund regarding the acceptability of types of collateral and the valuation parameters. The Fund Manager monitors the value of the collateral and requests additional collateral when needed.

Managed Fund (Laketon) SF035

Notes to the Financial Statements

(in Canadian \$ thousands)

8. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.
- c) The Fund invests in assets or underlying funds managed by Mackenzie Financial Corporation, which operates as Mackenzie Investments. All investment transactions with the corresponding underlying funds are at quoted market prices.

Managed Fund (Laketon) SF035

Supplemental Information (unaudited)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾

For the years ended December 31	2023	2022	2021	2020	2019
Flex	2.85	2.86	2.86	2.86	2.87
Generations/Mosaic	2.85	2.86	2.86	2.86	2.87
Generations I	2.84	2.85	2.86	2.86	2.87
Generations II	2.91	2.91	2.92	2.92	2.93
Generations Core	2.53	2.53	2.53	2.53	2.54
75/75 guarantee policy	2.53	2.53	2.53	2.53	2.54
75/100 guarantee policy	2.84	2.85	2.86	2.86	2.87
100/100 guarantee policy	2.91	2.91	2.92	2.92	2.92
PS1 75/75 guarantee policy	2.18	2.18	2.18	2.19	2.19
PS1 75/100 guarantee policy	2.35	2.35	2.35	2.35	2.36
PS1 100/100 guarantee policy	2.56	2.57	2.57	2.57	2.58
PS 75/75 guarantee policy	—	—	1.45	1.43	1.42
PS 75/100 guarantee policy	1.75	1.76	1.77	1.77	1.77

Portfolio Turnover Rate (%) ⁽²⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	61.18	87.70	77.92	48.28	60.07

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
INTERNATIONAL BOND FUND (LAKETON) SF036

December 31, 2023

Independent Auditor's Report

To the Contractholders of International Bond Fund (Laketon) SF036 (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

International Bond Fund (Laketon) SF036

(in Canadian \$ thousands)

Fund Manager: Canada Life Asset Management Limited

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ 3,680	\$ 3,670
Investment income due and accrued	660	752
Due from The Canada Life Assurance Company (note 7)	53	—
Due from brokers	—	—
Due from outside parties	—	—
Investments		
Bonds	80,575	90,864
Stocks	—	—
Investment fund units	—	—
Total investments	80,575	90,864
Total assets	\$ 84,968	\$ 95,286
Liabilities		
Overdrafts	\$ —	\$ —
Due to The Canada Life Assurance Company (note 7)	—	11
Due to brokers	—	—
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	—	11
Net assets attributable to contractholders	\$ 84,968	\$ 95,275

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 3,905	\$ (11,959)
Miscellaneous income (loss)	(159)	201
Total income (loss)	3,746	(11,758)
Expenses		
Management fees (note 7)	142	173
Transaction costs	—	—
Withholding taxes	(2)	—
Other	19	31
Total expenses	159	204
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 3,587	\$ (11,962)

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year	\$ 95,275	\$ 109,058
Contractholder deposits	5,804	10,235
Contractholder withdrawals	(19,698)	(12,056)
Increase (decrease) in net assets from operations attributable to contractholders	3,587	(11,962)
Change in net assets attributable to contractholders	(10,307)	(13,783)
Net assets attributable to contractholders - end of year	\$ 84,968	\$ 95,275

International Bond Fund (Laketon) SF036

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 3,587	\$ (11,962)
Adjustments		
Realized (gains) losses	1,786	1,531
Unrealized (gains) losses	(3,490)	12,487
Gross proceeds of disposition of investments	27,675	11,991
Gross payments for the purchase of investments	(15,682)	(14,937)
Change in investment income due and accrued	92	(80)
Change in due from/to The Canada Life Assurance Company	(64)	478
Change in due from/to brokers	—	—
Change in due from/to outside parties	—	—
	<u>13,904</u>	<u>(492)</u>
Financing Activities		
Contractholder deposits	5,804	10,235
Contractholder withdrawals	(19,698)	(12,056)
	<u>(13,894)</u>	<u>(1,821)</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	10	(2,313)
Cash, short-term deposits and overdrafts, beginning of year	3,670	5,983
Cash, short-term deposits and overdrafts, end of year	\$ 3,680	\$ 3,670
Supplementary cash flow information		
Interest income received	\$ 2,226	\$ 1,997

International Bond Fund (Laketon) SF036

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or Par Value	Average Cost	Fair Value
Canadian Bonds			
Federal Government			
Government of Canada 1.25% 06-01-2030	300,000	300	268
Government of Canada 1.75% 12-01-2053	350,000	235	263
Government of Canada 2.00% 12-01-2051	400,000	330	322
Government of Canada 4.00% 06-01-2041	500,000	528	560
Government of Canada 5.75% 06-01-2033	870,000	1,190	1,055
Total Federal Government		2,583	2,468
Total Canadian Bonds		2,583	2,468
United States Bonds			
Federal Government			
United States Treasury 0.50% 10-31-2027	1,100,000	1,257	1,282
United States Treasury 1.375% 08-15-2050	990,000	1,253	733
United States Treasury 1.375% 08-31-2026	1,580,000	2,044	1,953
United States Treasury 1.625% 08-15-2029	340,000	497	401
United States Treasury 1.75% 11-15-2029	1,600,000	2,080	1,893
United States Treasury 1.875% 02-15-2032	1,500,000	1,747	1,710
United States Treasury 2.125% 02-29-2024	775,000	1,017	1,022
United States Treasury 2.75% 11-15-2042	1,806,000	2,147	1,939
United States Treasury 2.875% 04-30-2025	1,060,000	1,464	1,374
United States Treasury 3.00% 02-15-2049	1,030,000	1,558	1,114
United States Treasury 3.375% 05-15-2033	1,150,000	1,447	1,464
United States Treasury 3.625% 05-15-2053	950,000	1,248	1,167
United States Treasury 3.875% 05-15-2043	450,000	569	570
United States Treasury 3.875% 08-15-2040	690,000	1,111	893
United States Treasury 4.00% 06-30-2028	650,000	854	866
United States Treasury 5.00% 08-31-2025	650,000	877	869
Total Federal Government		21,170	19,250
Corporate - Non-convertible			
AT&T Inc. 2.35% 09-05-2029	660,000	986	926
Berkshire Hathaway Inc. 2.375% 06-19-2039	480,000	800	605
Comcast Corp. 1.875% 02-20-2036	420,000	720	536
JPMorgan Chase & Co. 4.60% 02-01-2025	700,000	879	895
Marsh & McLennan Companies Inc. 1.979% 03-21-2030	660,000	994	911

International Bond Fund (Laketon) SF036

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or Par Value	Average Cost	Fair Value
United States Bonds (continued)			
Corporate - Non-convertible (continued)			
Public Storage REIT 0.875% 01-24-2032	660,000	952	800
Thermo Fisher Scientific Inc. 2.875% 07-24-2037	150,000	218	208
Total Corporate - Non-convertible		5,549	4,881
Total United States Bonds		26,719	24,131
Global Bonds			
Australia			
Commonwealth of Australia 1.25% 05-21-2032	600,000	445	440
Commonwealth of Australia 1.75% 06-21-2051	300,000	146	160
Commonwealth of Australia 2.50% 05-21-2030	500,000	396	420
Commonwealth of Australia 2.75% 05-21-2041	300,000	206	221
Commonwealth of Australia 3.00% 11-21-2033	300,000	235	250
Commonwealth of Australia 3.25% 04-21-2025	525,000	532	470
Commonwealth of Australia 4.50% 04-21-2033	230,000	228	217
Government of Australia 2.25% 05-21-2028	700,000	694	597
France			
AXA SA 1.875% 07-10-2042	770,000	1,096	929
AXA SA Floating Rate 01-17-2047	920,000	1,217	1,196
Banque Federative du Credit Mutuel SA 3.875% 06-16-2032	800,000	1,073	1,158
BNP Paribas SA 2.75% 07-25-2028	900,000	1,211	1,283
BNP Paribas SA 3.132% 01-20-2033	700,000	875	789
BPCE SA 2.50% 11-30-2032	400,000	673	592
Credit Agricole Assurances 1.50% 10-06-2031	700,000	1,025	837
Credit Agricole SA 0.50% 09-21-2029	700,000	1,043	894
Electricite de France 2.625% 12-01-2027	600,000	880	782
Engie SA 5.625% 04-03-2053	300,000	498	540
Republic of France 0.50% 05-25-2025	850,000	1,165	1,206
Republic of France 3.00% 05-25-2054	160,000	202	230
Reseau Ferre de France 5.00% 10-10-2033	167,000	269	285
SCOR SE 5.25% 03-13-2029	1,400,000	1,778	1,499
TotalEnergies Capital SA 1.994% 04-08-2032	100,000	155	136
TotalEnergies SE 1.75% 04-04-2024	100,000	154	145

International Bond Fund (Laketon) SF036

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or Par Value	Average Cost	Fair Value
Global Bonds (continued)			
Germany			
Allianz SE 3.20% 10-30-2027	1,400,000	1,768	1,474
Bundesrepublik Deutschland 1.80% 08-15-2053	100,000	121	132
Deutsche Bahn Finance GmbH 1.375% 04-16-2040	490,000	742	552
Government of Germany 0.50% 02-15-2025	230,000	319	328
Government of Germany 2.50% 07-04-2044	360,000	662	544
HOWOGE Wohnungsbaugesellschaft mbH 1.125% 11-01-2033	700,000	1,004	813
Merck KGaA 2.875% 06-25-2029	500,000	749	673
Ireland			
Experian Europe DAC 1.56% 05-16-2031	300,000	434	396
Zurich Finance (Ireland) Designated Activity Co. 3.00% 04-19-2031	1,400,000	1,780	1,503
Italy			
Buoni del Tesoro Poliennali 0.35% 02-01-2025	1,548,000	2,354	2,195
Buoni del Tesoro Poliennali 1.25% 12-01-2026	2,400,000	3,723	3,363
Buoni del Tesoro Poliennali 1.75% 07-01-2024	660,000	1,097	956
Japan			
Asahi Group Holdings Ltd. 0.336% 04-19-2027	800,000	1,197	1,067
Government of Japan 0.10% 09-20-2029	63,600,000	773	592
Government of Japan 0.40% 09-20-2025	239,600,000	2,670	2,265
Government of Japan 0.50% 03-20-2049	102,900,000	1,195	751
Government of Japan 0.50% 12-20-2040	150,000,000	1,718	1,250
Government of Japan 1.20% 03-20-2035	120,100,000	1,222	1,182
Government of Japan 1.50% 03-20-2033	123,700,000	1,229	1,259
Government of Japan 1.90% 06-20-2025	77,400,000	1,064	747
Government of Japan 1.90% 09-20-2030	104,600,000	1,559	1,085
Jersey			
States of Jersey 2.875% 05-06-2052	200,000	315	242
Luxembourg			
AXA Logistics Europe 0.875% 11-15-2029	700,000	1,000	858
Medtronic Global Holdings SCA 1.375% 10-15-2040	850,000	1,313	915
Medtronic Global Holdings SCA 3.125% 10-15-2031	750,000	986	1,102

International Bond Fund (Laketon) SF036

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or Par Value	Average Cost	Fair Value
Global Bonds (continued)			
Netherlands			
American Medical Systems Europe BV 1.625% 03-08-2031	600,000	836	794
Cooperatieve Rabobank UA 4.875% 06-29-2029	400,000	554	529
Cooperatieve Rabobank UA Floating Rate 04-10-2029	1,000,000	1,268	1,316
LSEG Netherlands BV 0.25% 04-06-2028	540,000	799	705
Upjohn Finance BV 1.908% 06-23-2032	850,000	1,297	1,047
Volkswagen International Finance NV 3.748% 12-28-2027	700,000	974	961
Sweden			
Vattenfall AB 2.50% 06-29-2083	400,000	689	566
United Kingdom			
HSBC Holdings PLC 2.206% 08-17-2029	900,000	1,127	1,042
NATS (En Route) PLC 1.375% 03-31-2031	720,000	1,231	1,073
NatWest Group PLC 2.105% 11-28-2031	420,000	717	632
Northern Powergrid North 3.25% 04-01-2052	100,000	114	128
United Kingdom Gilt 3.75% 10-22-2053	420,000	654	662
United Kingdom Treasury 3.50% 01-22-2045	900,000	1,359	1,384
Supra - National			
Asian Development Bank 2.35% 06-21-2027	120,000,000	1,576	1,213
European Investment Bank 1.90% 01-26-2026	41,400,000	540	404
Total Global Bonds		60,925	53,976
Total Bonds		90,227	80,575
Total Investments		90,227	80,575

International Bond Fund (Laketon) SF036

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

Introduction

The objective of the International Bond Fund (Laketon) SF036 (the Fund) in managing risk is the creation and protection of contractholder value. Risk is inherent in the Fund's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. The process of risk management is critical to the Fund's continuing profitability. The Fund can be exposed to liquidity risk, market risk (which includes currency risk, interest rate risk and other price risk) and credit risk arising from the financial instruments it holds.

A. Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023, and groups the securities by asset type, geographic region and/or market segment. The following sections describe the significant risks that are relevant to the Fund.

To assist with managing risk, The Canada Life Assurance Company (Canada Life or the Company) maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and other regulations.

B. Liquidity Risk

Liquidity risk arises when a fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units by contractholders. The Fund retains sufficient cash and cash equivalent positions to maintain adequate liquidity to meet the obligation to fund daily cash redemptions of their redeemable units.

Some securities are illiquid due to legal restrictions on their resale, the nature of the investment, or simply a lack of interested buyers for a particular security or security type. Certain securities may become less liquid due to changes in market conditions, such as interest rate changes or market volatility, which could impair the ability of a fund to sell such securities quickly.

In accordance with the Fund's policy, the Company monitors the Fund's liquidity positions on a regular basis.

C. Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The classifications used on the Schedule of Investment Portfolio for the financial instruments are based on the country of issue.

International Bond Fund (Laketon) SF036

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

C. Currency Risk (continued)

The table below indicates the foreign currencies to which the Fund had significant exposure as at December 31, 2023 in Canadian dollar terms, including the underlying principal amount of forward currency contracts, if any. The table also illustrates the potential impact to the Fund's net assets attributable to contractholders, all other variables held constant, as a result of a 1% change in these currencies relative to the Canadian dollar. In practice, the actual results may differ from this sensitivity analysis and the difference could be significant.

2023

Currency	Investments	Cash, Short-term Deposits and Overdrafts	Total*	Impact on Net Assets Attributable to Contractholders
Euro	\$ 28,660	\$ 1,548	\$ 30,208	\$ 302
United States Dollar	28,964	150	29,114	291
Japanese Yen	10,748	1,523	12,271	123
United Kingdom Pound Sterling	6,960	93	7,053	71
Other Currencies	2,775	40	2,815	28
Total	\$ 78,107	\$ 3,354	\$ 81,461	\$ 815
As Percent of Net Assets Attributable to Contractholders			95.9%	1.0%

*Includes both monetary and non-monetary instruments

2022

Currency	Investments	Cash, Short-term Deposits and Overdrafts	Total*	Impact on Net Assets Attributable to Contractholders
United States Dollar	\$ 33,912	\$ 4	\$ 33,916	\$ 339
Euro	30,210	2,092	32,302	323
Japanese Yen	13,138	1,733	14,871	149
United Kingdom Pound Sterling	6,644	59	6,703	67
Other Currencies	2,801	32	2,833	28
Total	\$ 86,705	\$ 3,920	\$ 90,625	\$ 906
As Percent of Net Assets Attributable to Contractholders			95.1%	1.0%

*Includes both monetary and non-monetary instruments

D. Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund is exposed to the risk that the value of interest-bearing financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. Due to the nature of short-term fixed income securities with a remaining term-to-maturity of less than one year, these investments are not generally exposed to a significant risk that their value will fluctuate in response to changes in the prevailing levels of market interest rates. The risk is professionally managed at the security and fund level by the Company.

International Bond Fund (Laketon) SF036

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

D. Interest Rate Risk (continued)

The table below summarizes the Fund's exposure to interest rate risk by remaining term-to-maturity.

2023					
	1 year or less	Over 1 year to 5 years	Over 5 years to 10 years	Over 10 years	Total
Bonds	\$ 2,123	\$ 26,301	\$ 31,658	\$ 20,493	\$ 80,575

2022					
	1 year or less	Over 1 year to 5 years	Over 5 years to 10 years	Over 10 years	Total
Bonds	\$ 11,924	\$ 25,131	\$ 31,036	\$ 22,773	\$ 90,864

As at December 31, 2023, had prevailing interest rates increased or decreased by 1% assuming a parallel shift in the yield curve, with all other variables held constant, net assets attributable to contractholders would have decreased or increased, respectively, by approximately \$5,251 (\$5,301 at December 31, 2022) or approximately 6.2% (5.6% at December 31, 2022). The Fund's sensitivity to interest rate changes was estimated using the weighted average duration of the bond portfolio. In practice, the actual results may differ and the difference could be significant.

E. Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund's greatest concentration of credit risk is in debt securities, such as bonds. The fair value of debt instruments includes consideration of the creditworthiness of the debt issuer. The carrying amount of debt instruments represents the maximum credit risk exposure as at December 31, 2023. The amount of credit risk to any one issuer may be determined from the information reported in the Schedule of Investment Portfolio. The Fund may invest in short-term fixed income securities issued or guaranteed primarily by the Government of Canada or any Canadian provincial government, obligations of Canadian chartered banks or trust companies, and commercial paper with approved credit ratings. The risk of default on these short-term fixed income securities is considered low. The Company monitors credit risk and credit ratings on a regular basis. All new counterparties to financial instruments are subject to an approval process.

There was no change in fair values of financial liabilities as a result of changes in credit risks during 2023 or 2022.

All transactions in listed securities are settled and paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker.

International Bond Fund (Laketon) SF036

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

E. Credit Risk (continued)

Credit ratings disclosed below are obtained from independent rating agencies including DBRS, Standard & Poor's, Moody's Investors Service and Fitch Ratings. The lowest rating provided by the agencies is used.

Debt securities by credit rating are as follows:

	2023		2022	
	Percent of Total Bonds (%)	Percent of Total Net Assets Attributable to Contractholders (%)	Percent of Total Bonds (%)	Percent of Total Net Assets Attributable to Contractholders (%)
AAA	6.6	6.4	26.8	25.4
AA	32.6	30.9	8.5	8.1
A	29.6	28.1	28.4	27.1
BBB	27.9	26.4	31.0	29.6
BB and lower	1.7	1.6	2.7	2.6
NR *	1.6	1.5	2.6	2.5
Total	100.0	94.9	100.0	95.3

*Bonds disclosed as NR are mortgage backed securities or privately placed bonds or bonds that have not been rated by a rating agency.

F. Fair Value Classification

The following table presents information about the Fund's assets measured at fair value on a recurring basis and indicates the fair value hierarchy of the valuation techniques utilized by the Fund to determine such fair value:

	2023			
	Assets Measured at Fair Value			
Assets measured at fair value	Level 1	Level 2	Level 3	Total
Bonds	\$ —	\$ 80,575	\$ —	\$ 80,575
Total assets measured at fair value	\$ —	\$ 80,575	\$ —	\$ 80,575

	2022			
	Assets Measured at Fair Value			
Assets measured at fair value	Level 1	Level 2	Level 3	Total
Bonds	\$ —	\$ 90,864	\$ —	\$ 90,864
Total assets measured at fair value	\$ —	\$ 90,864	\$ —	\$ 90,864

There were no significant transfers between Level 1 and Level 2 during 2023 or 2022.

International Bond Fund (Laketon) SF036

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance. Portfolio units are allocated to each category as described in note 3 and are not included on this page.

Net Assets Attributable to Contractholders by Category

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
Flex	66,323	73,899	80,390	96,249	100,793	1,009	1,103	1,379	1,815	1,794
Generations/Mosaic	133,714	164,080	231,530	280,248	293,672	1,312	1,579	2,562	3,409	3,372
Generations I	39,366	47,794	76,396	95,543	90,195	472	561	1,029	1,413	1,257
Generations II	5,673	5,420	6,164	17,492	15,623	68	64	84	261	219
Generations Core	15,700	16,295	18,979	28,596	43,981	194	197	262	433	626
75/75 guarantee policy	47,976	54,429	76,419	98,459	120,264	500	554	891	1,257	1,444
75/100 guarantee policy	135,994	164,296	206,324	288,166	392,002	1,394	1,648	2,377	3,643	4,669
100/100 guarantee policy	20,703	29,553	36,282	38,380	42,431	210	294	414	481	502
PS1 75/75 guarantee policy	24,937	53,038	59,830	74,527	108,914	274	566	728	987	1,349
PS1 75/100 guarantee policy	64,080	85,109	96,740	111,235	160,563	696	898	1,164	1,460	1,972
PS1 100/100 guarantee policy	466	7,673	11,843	12,972	13,910	5	80	140	168	169
PS2 75/75 guarantee policy	13,139	12,979	12,802	12,116	16,842	174	164	182	184	236
PS2 75/100 guarantee policy	16,896	12,419	48,162	73,175	66,863	224	157	683	1,112	935
PS2 100/100 guarantee policy	—	—	1,052	1,072	1,092	—	—	15	16	15
PS 75/100 guarantee policy	1,531	—	4,171	4,108	3,857	14	—	42	45	40
PS 100/100 guarantee policy	—	—	—	—	2,225	—	—	—	—	23
PPS 75/100 guarantee policy	10,080	10,186	19,863	20,072	20,335	94	92	204	223	210
PPS 100/100 guarantee policy	—	—	—	—	64	—	—	—	—	1

Net Assets Attributable to Contractholders Per Unit (note 6)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
Flex	15.22	14.92	17.16	18.86	17.80	0.30	(2.24)
Generations/Mosaic	9.82	9.62	11.07	12.17	11.48	0.20	(1.45)
Generations I	11.99	11.74	13.48	14.79	13.93	0.25	(1.74)
Generations II	12.06	11.81	13.56	14.89	14.04	0.25	(1.75)
Generations Core	12.36	12.07	13.82	15.14	14.23	0.29	(1.75)
75/75 guarantee policy	10.42	10.18	11.66	12.77	12.00	0.24	(1.48)
75/100 guarantee policy	10.25	10.03	11.52	12.64	11.91	0.22	(1.49)
100/100 guarantee policy	10.15	9.95	11.42	12.54	11.83	0.20	(1.47)
PS1 75/75 guarantee policy	11.00	10.68	12.16	13.25	12.38	0.32	(1.48)
PS1 75/100 guarantee policy	10.86	10.56	12.04	13.12	12.28	0.30	(1.48)
PS1 100/100 guarantee policy	10.65	10.37	11.85	12.94	12.13	0.28	(1.48)
PS2 75/75 guarantee policy	13.24	12.66	14.19	15.20	13.99	0.58	(1.53)
PS2 75/100 guarantee policy	13.24	12.65	14.18	15.20	13.98	0.59	(1.53)
PS2 100/100 guarantee policy	—	—	14.18	15.20	13.98	—	—
PS 75/100 guarantee policy	9.01	—	10.02	10.93	10.24	0.24	—
PS 100/100 guarantee policy	—	—	—	—	10.24	—	—
PPS 75/100 guarantee policy	9.35	9.04	10.25	11.12	10.35	0.31	(1.21)
PPS 100/100 guarantee policy	—	—	—	—	10.33	—	—

International Bond Fund (Laketon) SF036

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Fund is offered by The Canada Life Assurance Company.

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

International Bond Fund (Laketon) SF036

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

International Bond Fund (Laketon) SF036

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in fair value measurements in the notes to the Schedule of Investment Portfolio.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

International Bond Fund (Laketon) SF036

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Bonds

Bonds are recorded at fair value determined with reference to closing quoted market prices, where the last traded price falls within the day's bid-ask spread, primarily provided by third party independent pricing sources. Fair values are determined on the basis of the closing price for a security on the recognized exchange on which it is principally traded at each reporting date. In circumstances where the last traded price is not within the bid-ask spread, the Company determines the point when the bid-ask spread that is most representative of fair value based on the specific facts and circumstances.

The fair value of unlisted securities is established using quotations determined by a major dealer in a particular security. Should the quoted value for a security, in the opinion of the Fund Manager, be inaccurate, unreliable, or not readily available, the value of the security is estimated using valuation techniques. Valuation techniques include the market approach (using recent arm's-length market transactions adjusted as necessary and reference to the current market value of another instrument that is substantially the same) and the income approach (discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible).

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

Interest income on debt securities - included in the change in fair value of such investments and recorded on the accrual basis.

International Bond Fund (Laketon) SF036

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

Miscellaneous income (loss)

Miscellaneous income (loss) generally includes the changes in foreign exchange rates between trade and settlement dates, foreign exchange rates on bank balances, securities lending income, derivative income, and management fee rebates.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

International Bond Fund (Laketon) SF036

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

k) Income Allocation

Net gain (loss) on investments, which includes interest income, realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the net asset value (NAV) per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

m) Transaction Costs

Transaction costs, such as brokerage commissions, incurred in the purchase and sale of securities by the Fund are charged to expenses in the year.

International Bond Fund (Laketon) SF036

Notes to the Financial Statements

(in Canadian \$ thousands)

3. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Emperor,
- Flex,
- Generations/Mosaic,
- Generations I,
- Generations II,
- Generations Core,
- Prestige/Prestige Plus, and
- Private Collections.

In addition to the Individual units, units are available for:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

Portfolio units are those units owned by the Asset Allocation Funds. Each Portfolio fund is represented by a separate category.

The categories of units, and the various levels within each, are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

International Bond Fund (Laketon) SF036

Notes to the Financial Statements

(in Canadian \$ thousands)

4. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

5. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

6. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

International Bond Fund (Laketon) SF036

Notes to the Financial Statements

(in Canadian \$ thousands)

7. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.
- c) The Fund invests in assets or underlying funds managed by Canada Life Asset Management Limited. All investment transactions with the corresponding underlying funds are at quoted market prices.

International Bond Fund (Laketon) SF036

Supplemental Information (unaudited)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾

For the years ended December 31	2023	2022	2021	2020	2019
Flex	2.55	2.56	2.56	2.54	2.55
Generations/Mosaic	2.55	2.56	2.56	2.54	2.55
Generations I	2.38	2.40	2.39	2.38	2.38
Generations II	2.44	2.45	2.46	2.43	2.44
Generations Core	2.16	2.17	2.18	2.16	2.16
75/75 guarantee policy	2.16	2.18	2.17	2.16	2.16
75/100 guarantee policy	2.38	2.39	2.40	2.38	2.38
100/100 guarantee policy	2.44	2.45	2.45	2.44	2.44
PS1 75/75 guarantee policy	1.60	1.60	1.60	1.60	1.59
PS1 75/100 guarantee policy	1.71	1.71	1.71	1.71	1.70
PS1 100/100 guarantee policy	1.87	1.88	1.88	1.87	1.87
PS 75/100 guarantee policy	1.84	—	1.84	1.83	1.83
PS 100/100 guarantee policy	—	—	—	—	1.88
PPS 75/100 guarantee policy	1.16	1.17	1.16	1.15	1.15
PPS 100/100 guarantee policy	—	—	—	—	1.32

Portfolio Turnover Rate (%) ⁽²⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	17.28	11.31	51.97	34.73	29.60

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
EUROPEAN EQUITY FUND S-037ST

December 31, 2023

Independent Auditor's Report

To the Contractholders of European Equity Fund S-037ST (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

European Equity Fund S-037ST

(in Canadian \$ thousands)

Fund Manager: Setanta Asset Management Limited

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ 97	\$ 216
Investment income due and accrued	20	15
Due from The Canada Life Assurance Company (note 7)	—	—
Due from brokers	—	—
Due from outside parties	33	33
Investments		
Bonds	—	—
Stocks	12,471	12,501
Investment fund units	—	—
Total investments	12,471	12,501
Total assets	\$ 12,621	\$ 12,765
Liabilities		
Overdrafts	\$ —	\$ —
Due to The Canada Life Assurance Company (note 7)	4	25
Due to brokers	—	—
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	4	25
Net assets attributable to contractholders	\$ 12,617	\$ 12,740

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 2,189	\$ (2,267)
Miscellaneous income (loss)	(6)	(4)
Total income (loss)	2,183	(2,271)
Expenses		
Management fees (note 7)	343	367
Transaction costs	1	2
Withholding taxes	38	34
Other	33	36
Total expenses	415	439
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 1,768	\$ (2,710)

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year	\$ 12,740	\$ 17,939
Contractholder deposits	159	123
Contractholder withdrawals	(2,050)	(2,612)
Increase (decrease) in net assets from operations attributable to contractholders	1,768	(2,710)
Change in net assets attributable to contractholders	(123)	(5,199)
Net assets attributable to contractholders - end of year	\$ 12,617	\$ 12,740

European Equity Fund S-037ST

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 1,768	\$ (2,710)
Adjustments		
Realized (gains) losses	277	342
Unrealized (gains) losses	(2,049)	2,418
Gross proceeds of disposition of investments	3,279	2,938
Gross payments for the purchase of investments	(1,477)	(770)
Change in investment income due and accrued	(5)	10
Change in due from/to The Canada Life Assurance Company	(21)	18
Change in due from/to brokers	—	—
Change in due from/to outside parties	—	—
	<u>1,772</u>	<u>2,246</u>
Financing Activities		
Contractholder deposits	159	123
Contractholder withdrawals	(2,050)	(2,612)
	<u>(1,891)</u>	<u>(2,489)</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	(119)	(243)
Cash, short-term deposits and overdrafts, beginning of year	216	459
Cash, short-term deposits and overdrafts, end of year	\$ 97	\$ 216
Supplementary cash flow information		
Dividend income received	\$ 404	\$ 503

European Equity Fund S-037ST

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or <u>Par Value</u>	Average <u>Cost</u>	Fair <u>Value</u>
United States Common Stock			
Consumer Discretionary			
Booking Holdings Inc.	149	364	700
Total United States Common Stock		364	700
Global Common Stock			
Belgium			
Groupe Bruxelles Lambert SA *	3,215	350	335
Bermuda			
Lancashire Holdings Ltd.	41,410	487	436
Liberty Global Ltd. NPV Class C	16,455	787	406
France			
Air Liquide SA	1,309	233	337
EssilorLuxottica SA	1,758	372	467
Sanofi SA	4,589	502	602
Germany			
Adidas AG	1,552	504	418
Deutsche Boerse AG	1,547	363	422
GEA Group AG	10,108	394	557
Ireland			
Bank of Ireland Group PLC	35,626	375	428
CRH PLC	9,454	373	864
DCC PLC	8,557	754	835
Ryanair Holdings PLC ADR	2,229	296	394
Isle Of Man			
Playtech PLC	26,871	278	203
Italy			
Eni SPA	14,615	344	328

*The issuer of this security is a related company to the issuer of the Fund.

European Equity Fund S-037ST

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or <u>Par Value</u>	Average <u>Cost</u>	Fair <u>Value</u>
Global Common Stock (continued)			
Jersey			
Ferguson PLC	1,834	284	469
Netherlands			
Heineken Holdings NV	3,677	411	412
Sweden			
Telefonaktiebolaget LM Ericsson	44,447	350	368
Switzerland			
Alcon Inc.	4,147	322	429
Novartis AG	5,208	494	696
Sonova Holding AG	602	230	260
The Swatch Group AG	516	270	186
United Kingdom			
BP PLC	35,270	285	277
Diageo PLC	10,848	394	523
GSK PLC	19,860	645	486
Haleon PLC	24,468	125	133
LSL Property Services PLC	52,878	300	230
Unilever PLC	4,208	287	270
Total Global Common Stock		10,809	11,771
Total Stocks		11,173	12,471
Transaction Costs (note 2)		(16)	
Total Investments		11,157	12,471

European Equity Fund S-037ST

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

Introduction

The objective of the European Equity Fund S-037ST (the Fund) in managing risk is the creation and protection of contractholder value. Risk is inherent in the Fund's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. The process of risk management is critical to the Fund's continuing profitability. The Fund can be exposed to liquidity risk, market risk (which includes currency risk, interest rate risk and other price risk) and credit risk arising from the financial instruments it holds.

A. Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023, and groups the securities by asset type, geographic region and/or market segment. The following sections describe the significant risks that are relevant to the Fund.

To assist with managing risk, The Canada Life Assurance Company (Canada Life or the Company) maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and other regulations.

B. Liquidity Risk

Liquidity risk arises when a fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units by contractholders. The Fund retains sufficient cash and cash equivalent positions to maintain adequate liquidity to meet the obligation to fund daily cash redemptions of their redeemable units.

Some securities are illiquid due to legal restrictions on their resale, the nature of the investment, or simply a lack of interested buyers for a particular security or security type. Certain securities may become less liquid due to changes in market conditions, such as interest rate changes or market volatility, which could impair the ability of a fund to sell such securities quickly.

In accordance with the Fund's policy, the Company monitors the Fund's liquidity positions on a regular basis.

C. Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The classifications used on the Schedule of Investment Portfolio for the financial instruments are based on the country of issue.

European Equity Fund S-037ST

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

C. Currency Risk (continued)

The table below indicates the foreign currencies to which the Fund had significant exposure as at December 31, 2023 in Canadian dollar terms, including the underlying principal amount of forward currency contracts, if any. The table also illustrates the potential impact to the Fund's net assets attributable to contractholders, all other variables held constant, as a result of a 1% change in these currencies relative to the Canadian dollar. In practice, the actual results may differ from this sensitivity analysis and the difference could be significant.

2023

Currency	Investments	Cash, Short-term Deposits and Overdrafts	Total*	Impact on Net Assets Attributable to Contractholders
Euro	\$ 4,576	\$ 6	\$ 4,582	\$ 46
United Kingdom Pound Sterling	3,987	—	3,987	40
United States Dollar	1,969	5	1,974	20
Swiss Franc	1,571	1	1,572	15
Other Currencies	368	—	368	4
Total	\$ 12,471	\$ 12	\$ 12,483	\$ 125
As Percent of Net Assets Attributable to Contractholders			98.9%	1.0%

*Includes both monetary and non-monetary instruments

2022

Currency	Investments	Cash, Short-term Deposits and Overdrafts	Total*	Impact on Net Assets Attributable to Contractholders
Euro	\$ 5,416	\$ —	\$ 5,416	\$ 54
United Kingdom Pound Sterling	3,819	—	3,819	38
United States Dollar	1,529	—	1,529	15
Swiss Franc	1,354	—	1,354	14
Other Currencies	383	—	383	4
Total	\$ 12,501	\$ —	\$ 12,501	\$ 125
As Percent of Net Assets Attributable to Contractholders			98.1%	1.0%

*Includes both monetary and non-monetary instruments

D. Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. The Fund Manager moderates this risk through careful selection of securities and other financial instruments within the parameters of the investment strategy. The maximum risk resulting from financial instruments is equivalent to their fair value.

For the Fund, the most significant exposure to other price risk arises from its investment in equity securities. As at December 31, 2023, had the prices on the respective stock exchanges for these securities increased or decreased by 1%, with all other variables held constant, assets would have increased (or decreased) by approximately \$125 (\$125 at December 31, 2022) or approximately 1.0% (1.0% at December 31, 2022) of total net assets attributable to contractholders. In practice, the actual results may differ and the difference could be significant.

European Equity Fund S-037ST

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

E. Fair Value Classification

The following table presents information about the Fund's assets and liabilities measured at fair value on a recurring basis and indicates the fair value hierarchy of the valuation techniques utilized by the Fund to determine such fair value:

<u>Assets measured at fair value</u>	2023			
	Assets and Liabilities Measured at Fair Value			
	Level 1	Level 2	Level 3	Total
Stocks	\$ 12,471	\$ —	\$ —	\$ 12,471
Total assets measured at fair value	\$ 12,471	\$ —	\$ —	\$ 12,471

<u>Assets measured at fair value</u>	2022			
	Assets and Liabilities Measured at Fair Value			
	Level 1	Level 2	Level 3	Total
Stocks	\$ 12,501	\$ —	\$ —	\$ 12,501
Total assets measured at fair value	\$ 12,501	\$ —	\$ —	\$ 12,501

There were no significant transfers between Level 1 and Level 2 during 2023 or 2022.

European Equity Fund S-037ST

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Net Assets Attributable to Contractholders by Category

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
Flex	90,881	103,029	109,918	121,920	152,483	2,392	2,365	2,986	2,993	4,185
Generations/Mosaic	324,605	366,132	403,151	465,373	542,567	4,143	4,076	5,313	5,540	7,222
Generations I	41,711	49,439	59,957	65,766	99,392	572	592	849	841	1,421
Generations II	5,831	8,679	10,792	12,619	24,399	71	93	137	146	316
Generations Core	12,515	15,052	15,882	17,442	23,954	166	174	217	215	329
75/75 guarantee policy	38,953	47,098	60,095	82,008	131,282	685	722	1,088	1,339	2,393
75/100 guarantee policy	92,808	113,264	148,688	186,049	265,179	1,598	1,700	2,641	2,985	4,755
100/100 guarantee policy	21,207	21,492	27,632	43,322	50,671	347	307	469	667	875
PS1 75/75 guarantee policy	13,048	14,270	33,314	34,569	90,818	270	256	702	654	1,909
PS1 75/100 guarantee policy	93,356	110,447	133,827	135,357	154,442	1,859	1,912	2,735	2,492	3,169
PS1 100/100 guarantee policy	13,117	14,821	16,963	21,297	27,378	248	244	332	377	542
PS2 75/75 guarantee policy	4,407	7,471	9,647	9,850	13,692	120	173	256	229	346
PS2 75/100 guarantee policy	4,968	5,079	7,637	8,698	44,138	136	117	203	202	1,114
PS 75/75 guarantee policy	—	—	—	—	58	—	—	—	—	1
PS 75/100 guarantee policy	1,040	1,045	1,051	1,508	2,217	10	9	11	14	22

Net Assets Attributable to Contractholders Per Unit (note 6)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
Flex	26.32	22.95	27.17	24.55	27.44	3.37	(4.22)
Generations/Mosaic	12.76	11.13	13.18	11.91	13.31	1.63	(2.05)
Generations I	13.72	11.97	14.16	12.79	14.29	1.75	(2.19)
Generations II	12.25	10.72	12.73	11.54	12.94	1.53	(2.01)
Generations Core	13.28	11.56	13.66	12.32	13.75	1.72	(2.10)
75/75 guarantee policy	17.60	15.32	18.11	16.33	18.23	2.28	(2.79)
75/100 guarantee policy	17.21	15.01	17.76	16.04	17.93	2.20	(2.75)
100/100 guarantee policy	16.34	14.30	16.98	15.39	17.27	2.04	(2.68)
PS1 75/75 guarantee policy	20.66	17.91	21.07	18.92	21.02	2.75	(3.16)
PS1 75/100 guarantee policy	19.91	17.31	20.44	18.41	20.52	2.60	(3.13)
PS1 100/100 guarantee policy	18.89	16.50	19.56	17.70	19.82	2.39	(3.06)
PS2 75/75 guarantee policy	27.32	23.12	26.55	23.27	25.24	4.20	(3.43)
PS2 75/100 guarantee policy	27.33	23.13	26.56	23.28	25.25	4.20	(3.43)
PS 75/75 guarantee policy	—	—	—	—	9.99	—	—
PS 75/100 guarantee policy	9.98	8.60	10.07	9.00	9.94	1.38	(1.47)

European Equity Fund S-037ST

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Fund is offered by The Canada Life Assurance Company.

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

European Equity Fund S-037ST

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

European Equity Fund S-037ST

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in fair value measurements in the notes to the Schedule of Investment Portfolio.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

European Equity Fund S-037ST

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) **Stocks**

Stocks are recorded at fair value determined with reference to closing quoted market prices, where the last traded price falls within the day's bid-ask spread, primarily provided by third party independent pricing sources. Fair values are determined on the basis of the closing price for a security on the recognized exchange on which it is principally traded at each reporting date. In circumstances where the last traded price is not within the bid-ask spread, the Company determines the point when the bid-ask spread that is most representative of fair value based on the specific facts and circumstances.

The fair value of unlisted securities is established using quotations determined by a major dealer in a particular security. Should the quoted value for a security, in the opinion of the Fund Manager, be inaccurate, unreliable, or not readily available, the value of the security is estimated using valuation techniques. Valuation techniques include the market approach (using recent arm's-length market transactions adjusted as necessary and reference to the current market value of another instrument that is substantially the same) and the income approach (discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible).

d) **Cash, Short-term Deposits and Overdrafts**

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) **Classification of Units Issued by the Fund**

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) **Recognition of Investments and Income**

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

Dividend income - accrued as of the ex-dividend date and recorded on the accrual basis.

European Equity Fund S-037ST

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

Miscellaneous income (loss)

Miscellaneous income (loss) generally includes the changes in foreign exchange rates between trade and settlement dates, foreign exchange rates on bank balances, securities lending income, derivative income, and management fee rebates.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

European Equity Fund S-037ST

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

k) Income Allocation

Net gain (loss) on investments, which includes dividend income, realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the net asset value (NAV) per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

m) Transaction Costs

Transaction costs, such as brokerage commissions, incurred in the purchase and sale of securities by the Fund are charged to expenses in the year.

European Equity Fund S-037ST

Notes to the Financial Statements

(in Canadian \$ thousands)

3. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Emperor,
- Flex,
- Generations/Mosaic,
- Generations I,
- Generations II,
- Generations Core,
- Prestige/Prestige Plus, and
- Private Collections.

In addition to the Individual units, units are available for:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

The categories of units, and the various levels within each, are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

European Equity Fund S-037ST

Notes to the Financial Statements

(in Canadian \$ thousands)

4. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

5. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

6. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

European Equity Fund S-037ST

Notes to the Financial Statements

(in Canadian \$ thousands)

7. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.
- c) The Fund invests in assets or underlying funds managed by Setanta Asset Management Limited. All investment transactions with the corresponding underlying funds are at quoted market prices.

European Equity Fund S-037ST

Supplemental Information *(unaudited)*

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾

For the years ended December 31	2023	2022	2021	2020	2019
Flex	3.02	3.04	3.03	3.03	3.03
Generations/Mosaic	3.02	3.04	3.04	3.03	3.03
Generations I	2.99	3.01	3.00	3.01	3.00
Generations II	3.35	3.37	3.37	3.37	3.36
Generations Core	2.86	2.87	2.87	2.87	2.87
75/75 guarantee policy	2.86	2.88	2.88	2.87	2.86
75/100 guarantee policy	3.00	3.02	3.01	3.01	3.00
100/100 guarantee policy	3.35	3.37	3.37	3.36	3.36
PS1 75/75 guarantee policy	2.41	2.42	2.41	2.42	2.41
PS1 75/100 guarantee policy	2.73	2.75	2.74	2.74	2.74
PS1 100/100 guarantee policy	3.17	3.19	3.18	3.18	3.18
PS 75/75 guarantee policy	—	—	—	—	1.76
PS 75/100 guarantee policy	1.91	1.91	1.90	1.91	1.90

Portfolio Turnover Rate (%) ⁽²⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	11.45	5.50	4.36	6.88	5.11

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
FAR EAST EQUITY FUND S-038MF

December 31, 2023

Independent Auditor's Report

To the Contractholders of Far East Equity Fund S-038MF (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

Far East Equity Fund S-038MF

(in Canadian \$ thousands)

Fund Manager: Canada Life Asset Management Limited

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ —	\$ 61
Investment income due and accrued	18	11
Due from The Canada Life Assurance Company (note 7)	—	—
Due from brokers	35	—
Due from outside parties	—	—
Investments		
Bonds	—	—
Stocks	15,388	18,143
Investment fund units	—	—
Total investments	15,388	18,143
Total assets	\$ 15,441	\$ 18,215
Liabilities		
Overdrafts	\$ 37	\$ —
Due to The Canada Life Assurance Company (note 7)	4	22
Due to brokers	—	—
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	41	22
Net assets attributable to contractholders	\$ 15,400	\$ 18,193

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 589	\$ (2,291)
Miscellaneous income (loss)	(1)	(16)
Total income (loss)	588	(2,307)
Expenses		
Management fees (note 7)	475	557
Transaction costs	10	15
Withholding taxes	33	44
Other	45	53
Total expenses	563	669
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 25	\$ (2,976)

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year	\$ 18,193	\$ 24,446
Contractholder deposits	192	248
Contractholder withdrawals	(3,010)	(3,525)
Increase (decrease) in net assets from operations attributable to contractholders	25	(2,976)
Change in net assets attributable to contractholders	(2,793)	(6,253)
Net assets attributable to contractholders - end of year	\$ 15,400	\$ 18,193

Far East Equity Fund S-038MF

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 25	\$ (2,976)
Adjustments		
Realized (gains) losses	(114)	(613)
Unrealized (gains) losses	19	3,571
Gross proceeds of disposition of investments	4,885	7,799
Gross payments for the purchase of investments	(2,035)	(4,586)
Change in investment income due and accrued	(7)	9
Change in due from/to The Canada Life Assurance Company	(18)	12
Change in due from/to brokers	(35)	—
Change in due from/to outside parties	—	—
	<u>2,720</u>	<u>3,216</u>
Financing Activities		
Contractholder deposits	192	248
Contractholder withdrawals	(3,010)	(3,525)
	<u>(2,818)</u>	<u>(3,277)</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	(98)	(61)
Cash, short-term deposits and overdrafts, beginning of year	61	122
Cash, short-term deposits and overdrafts, end of year	\$ (37)	\$ 61
Supplementary cash flow information		
Dividend income received	\$ 487	\$ 675

Far East Equity Fund S-038MF

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or <u>Par Value</u>	Average <u>Cost</u>	Fair <u>Value</u>
United States Common Stock			
Exchange Traded Funds			
iShares MSCI India ETF	23,320	971	1,508
Total United States Common Stock		971	1,508
Global Common Stock			
Australia			
ANZ Group Holdings Ltd.	4,623	128	108
BHP Group Ltd.	9,340	274	425
Commonwealth Bank of Australia	2,800	224	283
CSL Ltd.	952	152	246
Goodman Group REIT	8,250	159	188
Macquarie Group Ltd.	1,219	123	202
National Australia Bank Ltd.	5,372	140	149
Rio Tinto Ltd.	1,435	142	176
Santos Ltd.	18,700	90	128
Sonic Healthcare Ltd.	1,300	31	38
Telstra Group Ltd.	31,850	116	114
Transurban Group Stapled Security	9,400	128	116
Wesfarmers Ltd.	2,300	97	118
Westpac Banking Corp.	7,236	221	150
Woodside Energy Group Ltd.	7,130	190	200
Cayman Islands			
Alibaba Group Holding Ltd.	40,600	815	521
Anta Sports Products Ltd.	4,600	108	59
Autohome Inc. Class A	4,600	46	42
Baidu Inc. Class A	4,950	164	98
Chailease Holding Co. Ltd.	11,200	82	93
China Mengniu Dairy Co. Ltd.	10,000	75	36
China Resources Land Ltd.	8,000	51	38
CK Asset Holdings Ltd.	5,500	46	37
CK Hutchison Holdings Ltd.	7,500	69	53
JD.com Inc. Class A	5,900	180	113
KE Holdings Inc. Class A	6,500	54	48
Longfor Group Holdings Ltd.	17,500	118	37
Meituan Class B	11,220	379	156
NetEase Inc.	7,500	188	179

Far East Equity Fund S-038MF

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or <u>Par Value</u>	Average <u>Cost</u>	Fair <u>Value</u>
Global Common Stock (continued)			
Cayman Islands (continued)			
PDD Holdings Inc. ADR	1,300	124	252
Sea Ltd. ADR	400	84	21
Shenzhou International Group Holdings Ltd.	4,600	102	63
Sunny Optical Technology Group Co. Ltd.	1,500	45	18
Tencent Holdings Ltd.	11,000	432	548
Trip.com Group Ltd.	2,950	142	139
WuXi Biologics (Cayman) Inc.	13,000	115	65
Xiaomi Corp.	26,000	61	69
ZTO Express Cayman Inc.	2,800	129	77
China			
Bank of China Ltd.	143,000	66	72
BYD Co. Ltd.	1,000	35	36
China Construction Bank Corp.	159,000	166	125
China International Capital Corp. Ltd.	18,400	61	36
China Merchants Bank Co.	13,500	98	62
CITIC Securities Co. Ltd.	21,300	71	58
Ganfeng Lithium Group Co. Ltd.	11,640	194	58
Industrial and Commercial Bank of China Ltd.	94,000	79	61
Ping An Insurance (Group) Co. of China Ltd.	11,500	146	69
Postal Savings Bank of China Co. Ltd.	79,000	64	50
Tsingtao Brewery Co. Ltd. Class H	4,000	55	36
WuXi AppTec Co. Ltd.	6,199	95	84
France			
Amundi MSCI India UCITS ETF	28,600	931	1,108
Hong Kong			
AIA Group Ltd.	32,600	307	376
China Resources Beer Holdings Co. Ltd.	14,000	142	81
CSPC Pharmaceutical Group Ltd.	50,000	69	62
Galaxy Entertainment Group Ltd.	15,000	119	111
Hong Kong Exchanges and Clearing Ltd.	3,600	162	164
iShares Core CSI 300 ETF	89,000	561	374
Link REIT	5,500	56	41
Sun Hung Kai Properties Ltd.	5,500	105	79

Far East Equity Fund S-038MF

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or Par Value	Average Cost	Fair Value
Global Common Stock (continued)			
Indonesia			
PT Astra International TBK	134,900	71	66
PT Bank Central Asia TBK	90,800	55	73
PT Bank Negara Indonesia (Persero) TBK	123,600	52	57
PT Bank Rakyat Indonesia (Persero) TBK	205,234	67	101
PT Telekomunikasi Indonesia TBK	366,800	104	125
Luxembourg			
Lyxor MSCI AC Asia-Pacific ex-Japan UCITS ETF	900	84	78
Malaysia			
Malayan Banking BHD	12,300	32	32
Public Bank BHD	67,200	134	83
Philippines			
BDO Unibank Inc.	25,000	71	78
SM Investments Corp.	6,240	130	130
Singapore			
DBS Group Holdings Ltd.	4,200	117	141
Oversea-Chinese Banking Corp. Ltd.	8,500	95	111
Singapore Telecommunications Ltd.	38,300	88	95
United Overseas Bank Ltd.	2,500	62	71
South Korea			
BGF Retail Co. Ltd.	420	63	56
Hyundai Motor Co.	260	55	54
Kakao Corp.	1,040	31	58
KB Financial Group Inc.	1,100	63	61
Kia Motors Corp.	960	78	98
LG Chem Ltd.	120	65	61
Naver Corp.	300	52	69
POSCO Holdings Inc.	250	85	127
Samsung Electronics Co. Ltd.	11,520	492	926
Samsung Electronics Co. Ltd. Preference Shares	2,170	83	138
Samsung SDI Co. Ltd.	175	150	84
SK Hynix Inc.	1,230	103	178
S-Oil Corp.	911	86	65

Far East Equity Fund S-038MF

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or <u>Par Value</u>	Average <u>Cost</u>	Fair <u>Value</u>
Global Common Stock (continued)			
Taiwan			
Andes Technology Corp.	2,000	37	41
ASE Technology Holding Co. Ltd.	11,000	35	64
CTBC Financial Holding Co. Ltd.	68,000	69	83
Delta Electronics Inc.	14,000	172	190
E.Sun Financial Holding Co. Ltd.	33,572	42	37
Hon Hai Precision Industry Co. Ltd.	31,000	115	140
MediaTek Inc.	3,000	41	132
Taiwan Semiconductor Manufacturing Co. Ltd.	49,000	432	1,256
United Microelectronics Corp.	19,000	42	43
Thailand			
Advanced Info Service PCL	1,800	15	15
CP ALL PCL	42,100	102	91
Kasikornbank PCL	4,900	25	26
Total Global Common Stock		13,101	13,880
Total Stocks		14,072	15,388
Transaction Costs (note 2)		(14)	
Total Investments		14,058	15,388

Far East Equity Fund S-038MF

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

Introduction

The objective of the Far East Equity Fund S-038MF (the Fund) in managing risk is the creation and protection of contractholder value. Risk is inherent in the Fund's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. The process of risk management is critical to the Fund's continuing profitability. The Fund can be exposed to liquidity risk, market risk (which includes currency risk, interest rate risk and other price risk) and credit risk arising from the financial instruments it holds.

A. Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023, and groups the securities by asset type, geographic region and/or market segment. The following sections describe the significant risks that are relevant to the Fund.

To assist with managing risk, The Canada Life Assurance Company (Canada Life or the Company) maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and other regulations.

B. Liquidity Risk

Liquidity risk arises when a fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units by contractholders. The Fund retains sufficient cash and cash equivalent positions to maintain adequate liquidity to meet the obligation to fund daily cash redemptions of their redeemable units.

Some securities are illiquid due to legal restrictions on their resale, the nature of the investment, or simply a lack of interested buyers for a particular security or security type. Certain securities may become less liquid due to changes in market conditions, such as interest rate changes or market volatility, which could impair the ability of a fund to sell such securities quickly.

In accordance with the Fund's policy, the Company monitors the Fund's liquidity positions on a regular basis.

C. Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The classifications used on the Schedule of Investment Portfolio for the financial instruments are based on the country of issue.

Far East Equity Fund S-038MF

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

C. Currency Risk (continued)

The table below indicates the foreign currencies to which the Fund had significant exposure as at December 31, 2023 in Canadian dollar terms, including the underlying principal amount of forward currency contracts, if any. The table also illustrates the potential impact to the Fund's net assets attributable to contractholders, all other variables held constant, as a result of a 1% change in these currencies relative to the Canadian dollar. In practice, the actual results may differ from this sensitivity analysis and the difference could be significant.

2023

Currency	Investments	Cash, Short-term Deposits and Overdrafts	Total*	Impact on Net Assets Attributable to Contractholders
Hong Kong Dollar	\$ 4,431	\$ 1	\$ 4,432	\$ 44
Australian Dollar	2,641	—	2,641	26
New Taiwan Dollar	2,079	—	2,079	21
South Korean Won	1,975	—	1,975	20
Other Currencies	4,262	(2)	4,260	43
Total	\$ 15,388	\$ (1)	\$ 15,387	\$ 154
As Percent of Net Assets Attributable to Contractholders				99.9%
				1.0%

*Includes both monetary and non-monetary instruments

2022

Currency	Investments	Cash, Short-term Deposits and Overdrafts	Total*	Impact on Net Assets Attributable to Contractholders
Hong Kong Dollar	\$ 6,715	\$ 6	\$ 6,721	\$ 67
Australian Dollar	3,020	24	3,044	31
New Taiwan Dollar	2,197	—	2,197	22
United States Dollar	2,182	7	2,189	22
Other Currencies	4,029	—	4,029	40
Total	\$ 18,143	\$ 37	\$ 18,180	\$ 182
As Percent of Net Assets Attributable to Contractholders				99.9%
				1.0%

*Includes both monetary and non-monetary instruments

D. Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. The Fund Manager moderates this risk through careful selection of securities and other financial instruments within the parameters of the investment strategy. The maximum risk resulting from financial instruments is equivalent to their fair value.

For the Fund, the most significant exposure to other price risk arises from its investment in equity securities. As at December 31, 2023, had the prices on the respective stock exchanges for these securities increased or decreased by 1%, with all other variables held constant, assets would have increased (or decreased) by approximately \$154 (\$181 at December 31, 2022) or approximately 1.0% (1.0% at December 31, 2022) of total net assets attributable to contractholders. In practice, the actual results may differ and the difference could be significant.

Far East Equity Fund S-038MF

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

E. Fair Value Classification

The following table presents information about the Fund's assets and liabilities measured at fair value on a recurring basis and indicates the fair value hierarchy of the valuation techniques utilized by the Fund to determine such fair value:

2023				
Assets and Liabilities Measured at Fair Value				
<u>Assets measured at fair value</u>	Level 1	Level 2	Level 3	Total
Stocks	\$ 13,387	\$ 2,001	\$ —	\$ 15,388
Total assets measured at fair value	\$ 13,387	\$ 2,001	\$ —	\$ 15,388

2022				
Assets and Liabilities Measured at Fair Value				
<u>Assets measured at fair value</u>	Level 1	Level 2	Level 3	Total
Stocks	\$ 16,030	\$ 2,113	\$ —	\$ 18,143
Total assets measured at fair value	\$ 16,030	\$ 2,113	\$ —	\$ 18,143

In accordance with the Fund's valuation policy, the Fund applies fair value adjustment factors to the quoted market prices for certain non-North American equities when North American intraday stock market movements exceed predetermined tolerances. The adjustment factors are applied in order to estimate the impact on fair values of events occurring between the close of the non-North American stock markets and the close of business for the Fund. If fair value adjustment factors are applied, non-North American equities are classified as Level 2. Consequently, non-North American equities are frequently transferred between Level 1 (unadjusted quoted market prices) and Level 2 (adjusted market prices). As at December 31, 2023, these securities were classified as Level 2 (Level 2 at December 31, 2022).

Far East Equity Fund S-038MF

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Net Assets Attributable to Contractholders by Category

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
Flex	92,628	101,812	110,088	130,315	149,192	1,533	1,686	2,096	2,669	2,614
Generations/Mosaic	348,799	413,027	482,964	558,132	700,257	5,701	6,756	9,082	11,291	12,119
Generations I	50,604	67,682	73,808	89,284	118,779	924	1,235	1,546	2,009	2,283
Generations II	53,450	79,623	97,853	107,522	119,807	615	919	1,303	1,547	1,478
Generations Core	43,012	47,042	55,498	57,347	59,819	550	601	812	901	801
75/75 guarantee policy	56,735	74,687	81,218	107,127	176,704	858	1,127	1,404	1,986	2,795
75/100 guarantee policy	145,755	169,222	187,580	232,104	402,625	2,166	2,514	3,199	4,253	6,301
100/100 guarantee policy	63,689	68,514	79,342	89,095	112,706	876	946	1,263	1,531	1,662
PS1 75/75 guarantee policy	28,242	40,481	91,957	101,552	170,292	471	672	1,741	2,053	2,924
PS1 75/100 guarantee policy	47,775	54,380	64,394	63,862	122,352	759	862	1,170	1,245	2,035
PS1 100/100 guarantee policy	18,084	20,037	19,048	19,633	20,544	270	300	328	364	327
PS2 75/75 guarantee policy	4,553	4,438	4,255	4,347	7,037	102	96	103	109	147
PS2 75/100 guarantee policy	7,613	8,051	11,439	12,353	24,471	170	174	276	310	509
PS2 100/100 guarantee policy	17,836	13,772	4,793	4,941	5,093	399	299	116	124	106
PS 75/100 guarantee policy	603	609	616	622	628	6	6	7	7	6

Net Assets Attributable to Contractholders Per Unit (note 6)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
Flex	16.55	16.56	19.04	20.48	17.52	(0.01)	(2.48)
Generations/Mosaic	16.34	16.36	18.81	20.23	17.31	(0.02)	(2.45)
Generations I	18.26	18.25	20.95	22.50	19.22	0.01	(2.70)
Generations II	11.50	11.55	13.32	14.38	12.34	(0.05)	(1.77)
Generations Core	12.80	12.77	14.63	15.69	13.38	0.03	(1.86)
75/75 guarantee policy	15.12	15.09	17.29	18.54	15.82	0.03	(2.20)
75/100 guarantee policy	14.86	14.85	17.05	18.32	15.65	0.01	(2.20)
100/100 guarantee policy	13.75	13.81	15.92	17.19	14.75	(0.06)	(2.11)
PS1 75/75 guarantee policy	16.70	16.59	18.93	20.22	17.17	0.11	(2.34)
PS1 75/100 guarantee policy	15.89	15.86	18.18	19.50	16.63	0.03	(2.32)
PS1 100/100 guarantee policy	14.93	14.96	17.23	18.56	15.90	(0.03)	(2.27)
PS2 75/75 guarantee policy	22.38	21.69	24.13	25.13	20.82	0.69	(2.44)
PS2 75/100 guarantee policy	22.37	21.67	24.12	25.12	20.81	0.70	(2.45)
PS2 100/100 guarantee policy	22.39	21.69	24.14	25.14	20.82	0.70	(2.45)
PS 75/100 guarantee policy	9.97	9.86	11.20	11.90	10.06	0.11	(1.34)

Far East Equity Fund S-038MF

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Fund is offered by The Canada Life Assurance Company.

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

Far East Equity Fund S-038MF

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

Far East Equity Fund S-038MF

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in fair value measurements in the notes to the Schedule of Investment Portfolio.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

Far East Equity Fund S-038MF

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) **Stocks**

Stocks are recorded at fair value determined with reference to closing quoted market prices, where the last traded price falls within the day's bid-ask spread, primarily provided by third party independent pricing sources. Fair values are determined on the basis of the closing price for a security on the recognized exchange on which it is principally traded at each reporting date. In circumstances where the last traded price is not within the bid-ask spread, the Company determines the point when the bid-ask spread that is most representative of fair value based on the specific facts and circumstances.

The fair value of unlisted securities is established using quotations determined by a major dealer in a particular security. Should the quoted value for a security, in the opinion of the Fund Manager, be inaccurate, unreliable, or not readily available, the value of the security is estimated using valuation techniques. Valuation techniques include the market approach (using recent arm's-length market transactions adjusted as necessary and reference to the current market value of another instrument that is substantially the same) and the income approach (discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible).

d) **Cash, Short-term Deposits and Overdrafts**

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) **Classification of Units Issued by the Fund**

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) **Recognition of Investments and Income**

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

Dividend income - accrued as of the ex-dividend date and recorded on the accrual basis.

Far East Equity Fund S-038MF

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

Miscellaneous income (loss)

Miscellaneous income (loss) generally includes the changes in foreign exchange rates between trade and settlement dates, foreign exchange rates on bank balances, securities lending income, derivative income, and management fee rebates.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

Far East Equity Fund S-038MF

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

k) Income Allocation

Net gain (loss) on investments, which includes dividend income, realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the net asset value (NAV) per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

m) Transaction Costs

Transaction costs, such as brokerage commissions, incurred in the purchase and sale of securities by the Fund are charged to expenses in the year.

Far East Equity Fund S-038MF

Notes to the Financial Statements

(in Canadian \$ thousands)

3. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Emperor,
- Flex,
- Generations/Mosaic,
- Generations I,
- Generations II,
- Generations Core,
- Prestige/Prestige Plus, and
- Private Collections.

In addition to the Individual units, units are available for:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

The categories of units, and the various levels within each, are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

Far East Equity Fund S-038MF

Notes to the Financial Statements

(in Canadian \$ thousands)

4. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

5. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

6. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

Far East Equity Fund S-038MF

Notes to the Financial Statements

(in Canadian \$ thousands)

7. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.
- c) The Fund invests in assets or underlying funds managed by Canada Life Asset Management Limited. All investment transactions with the corresponding underlying funds are at quoted market prices.

Far East Equity Fund S-038MF

Supplemental Information *(unaudited)*

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾

For the years ended December 31	2023	2022	2021	2020	2019
Flex	3.24	3.25	3.25	3.23	3.24
Generations/Mosaic	3.24	3.25	3.25	3.23	3.24
Generations I	3.10	3.11	3.11	3.09	3.10
Generations II	3.57	3.58	3.57	3.56	3.57
Generations Core	2.93	2.94	2.94	2.92	2.94
75/75 guarantee policy	2.94	2.95	2.95	2.93	2.94
75/100 guarantee policy	3.10	3.11	3.11	3.10	3.11
100/100 guarantee policy	3.57	3.58	3.57	3.56	3.57
PS1 75/75 guarantee policy	2.51	2.52	2.52	2.51	2.51
PS1 75/100 guarantee policy	2.95	2.96	2.95	2.95	2.95
PS1 100/100 guarantee policy	3.39	3.39	3.39	3.37	3.39
PS 75/100 guarantee policy	2.02	2.02	2.01	2.01	2.03

Portfolio Turnover Rate (%) ⁽²⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	12.08	23.23	18.68	57.67	64.16

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
ENHANCED DIVIDEND FUND (LAKETON) SF039

December 31, 2023

Independent Auditor's Report

To the Contractholders of Enhanced Dividend Fund (Laketon) SF039 (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

Enhanced Dividend Fund (Laketon) SF039

(in Canadian \$ thousands)

Fund Manager: Mackenzie Investments

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ 8,908	\$ 11,542
Investment income due and accrued	3,868	5,204
Due from The Canada Life Assurance Company (note 7)	—	—
Due from brokers	—	—
Due from outside parties	—	—
Investments		
Bonds	—	—
Stocks	1,319,291	1,294,632
Investment fund units	—	—
Total investments	1,319,291	1,294,632
Total assets	\$ 1,332,067	\$ 1,311,378
Liabilities		
Overdrafts	\$ —	\$ —
Due to The Canada Life Assurance Company (note 7)	350	525
Due to brokers	—	—
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	350	525
Net assets attributable to contractholders	\$ 1,331,717	\$ 1,310,853

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 85,389	\$ (16,590)
Miscellaneous income (loss)	233	470
Total income (loss)	85,622	(16,120)
Expenses		
Management fees (note 7)	26,529	27,191
Transaction costs	876	328
Withholding taxes	5	1
Other	2,722	2,782
Total expenses	30,132	30,302
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 55,490	\$ (46,422)

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year	\$ 1,310,853	\$ 1,271,314
Contractholder deposits	122,970	223,271
Contractholder withdrawals	(157,596)	(137,310)
Increase (decrease) in net assets from operations attributable to contractholders	55,490	(46,422)
Change in net assets attributable to contractholders	20,864	39,539
Net assets attributable to contractholders - end of year	\$ 1,331,717	\$ 1,310,853

Enhanced Dividend Fund (Laketon) SF039

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 55,490	\$ (46,422)
Adjustments		
Realized (gains) losses	(138,749)	(58,596)
Unrealized (gains) losses	107,530	128,515
Gross proceeds of disposition of investments	751,714	181,560
Gross payments for the purchase of investments	(745,154)	(295,686)
Change in investment income due and accrued	1,336	659
Change in due from/to The Canada Life Assurance Company	(175)	201
Change in due from/to brokers	—	(1,249)
Change in due from/to outside parties	—	—
	<u>31,992</u>	<u>(91,018)</u>
Financing Activities		
Contractholder deposits	122,970	223,271
Contractholder withdrawals	(157,596)	(137,310)
	<u>(34,626)</u>	<u>85,961</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	(2,634)	(5,057)
Cash, short-term deposits and overdrafts, beginning of year	11,542	16,599
Cash, short-term deposits and overdrafts, end of year	\$ 8,908	\$ 11,542
Supplementary cash flow information		
Dividend income received	\$ 55,048	\$ 53,868

Enhanced Dividend Fund (Laketon) SF039

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or Par Value	Average Cost	Fair Value
Canadian Common Stock			
Communication Services			
Cogeco Communications Inc. sub. voting	98,720	6,621	5,859
Rogers Communications Inc. Class B non-voting	586,096	29,263	36,356
TELUS Corp.	2,517,776	45,949	59,370
TELUS International Inc.	268,124	5,536	3,051
Consumer Discretionary			
Dollarama Inc.	47,528	4,300	4,538
Magna International Inc.	209,867	11,787	16,430
Restaurant Brands International Inc.	222,336	17,553	23,018
Consumer Staples			
Alimentation Couche-Tard Inc.	195,948	6,738	15,290
Loblaw Companies Ltd.	336,386	39,297	43,152
Energy			
AltaGas Ltd.	24,361	623	678
ARC Resources Ltd.	335,412	5,910	6,598
Canadian Natural Resources Ltd.	682,202	37,498	59,222
Enbridge Inc.	989,607	47,202	47,204
Pembina Pipeline Corp.	534,113	21,863	24,366
Pembina Pipeline Corp. Subscription Receipt	39,997	1,714	1,800
Suncor Energy Inc.	809,747	27,176	34,374
TC Energy Corp.	1,097,391	64,546	56,801
Tourmaline Oil Corp.	153,069	9,450	9,121
Financials			
Bank of Montreal	627,285	42,892	82,244
Brookfield Asset Management Inc. Class A	267,709	11,438	14,247
Brookfield Corp.	221,232	10,427	11,758
iA Financial Corp. Inc.	195,673	17,931	17,675
Intact Financial Corp.	201,946	40,326	41,169
Manulife Financial Corp.	1,336,824	32,443	39,142
Royal Bank of Canada	812,205	55,513	108,836
Sun Life Financial Inc.	833,757	41,490	57,296
The Bank of Nova Scotia	685,812	38,040	44,235
The Toronto-Dominion Bank	915,955	38,349	78,425
Thomson Reuters Corp.	58,053	9,988	11,247

Enhanced Dividend Fund (Laketon) SF039

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or Par Value	Average Cost	Fair Value
Canadian Common Stock (continued)			
Industrials			
CAE Inc.	234,138	6,568	6,696
Canadian National Railway Co.	253,941	31,111	42,294
Canadian Pacific Kansas City Ltd.	437,051	43,343	45,820
Finning International Inc.	262,730	10,504	10,068
Toromont Industries Ltd.	52,877	5,894	6,139
Information Technology			
CGI Group Inc. Class A sub. voting	56,670	7,784	8,044
Open Text Corp.	331,449	17,807	18,458
Materials			
Agnico Eagle Mines Ltd.	274,652	18,680	19,953
Barrick Gold Corp.	463,318	11,369	11,092
CCL Industries Inc. Class B non-voting	388,146	24,588	23,130
Franco-Nevada Corp.	23,918	4,405	3,510
Nutrien Ltd.	370,384	23,859	27,649
Teck Resources Ltd. Class B	80,163	4,433	4,490
Real Estate			
Canadian Apartment Properties REIT	214,467	10,033	10,466
Choice Properties REIT	761,611	10,218	10,624
Granite REIT Holdings LP	134,345	10,673	10,248
Utilities			
Boralex Inc. Class A	147,175	5,406	4,957
Emera Inc.	784,781	42,700	39,474
Fortis Inc.	437,561	24,354	23,851
Northland Power Inc.	762,298	20,075	18,349
Total Canadian Common Stock		1,055,667	1,298,814

Enhanced Dividend Fund (Laketon) SF039

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or <u>Par Value</u>	Average <u>Cost</u>	Fair <u>Value</u>
Global Common Stock			
Bermuda			
Brookfield Infrastructure Partners LP Partnership Units	490,354	22,480	20,477
Total Global Common Stock		22,480	20,477
Total Stocks		1,078,147	1,319,291
Transaction Costs (note 2)		(660)	
Total Investments		1,077,487	1,319,291

Enhanced Dividend Fund (Laketon) SF039

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

Introduction

The objective of the Enhanced Dividend Fund (Laketon) SF039 (the Fund) in managing risk is the creation and protection of contractholder value. Risk is inherent in the Fund's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. The process of risk management is critical to the Fund's continuing profitability. The Fund can be exposed to liquidity risk, market risk (which includes currency risk, interest rate risk and other price risk) and credit risk arising from the financial instruments it holds.

A. Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023, and groups the securities by asset type, geographic region and/or market segment. The following sections describe the significant risks that are relevant to the Fund.

To assist with managing risk, The Canada Life Assurance Company (Canada Life or the Company) maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and other regulations.

B. Liquidity Risk

Liquidity risk arises when a fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units by contractholders. The Fund retains sufficient cash and cash equivalent positions to maintain adequate liquidity to meet the obligation to fund daily cash redemptions of their redeemable units.

Some securities are illiquid due to legal restrictions on their resale, the nature of the investment, or simply a lack of interested buyers for a particular security or security type. Certain securities may become less liquid due to changes in market conditions, such as interest rate changes or market volatility, which could impair the ability of a fund to sell such securities quickly.

In accordance with the Fund's policy, the Company monitors the Fund's liquidity positions on a regular basis.

C. Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The classifications used on the Schedule of Investment Portfolio for the financial instruments are based on the country of issue.

Enhanced Dividend Fund (Laketon) SF039

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

C. Currency Risk (continued)

The table below indicates the foreign currencies to which the Fund had significant exposure as at December 31, 2023 in Canadian dollar terms, including the underlying principal amount of forward currency contracts, if any. The table also illustrates the potential impact to the Fund's net assets attributable to contractholders, all other variables held constant, as a result of a 1% change in these currencies relative to the Canadian dollar. In practice, the actual results may differ from this sensitivity analysis and the difference could be significant.

2023

Currency	Investments	Cash, Short-term Deposits and Overdrafts	Total*	Impact on Net Assets Attributable to Contractholders
United States Dollar	\$ —	\$ 1,517	\$ 1,517	\$ 15
Total	\$ —	\$ 1,517	\$ 1,517	\$ 15
As Percent of Net Assets Attributable to Contractholders			0.1%	—%

*Includes both monetary and non-monetary instruments

2022

Currency	Investments	Cash, Short-term Deposits and Overdrafts	Total*	Impact on Net Assets Attributable to Contractholders
United States Dollar	\$ —	\$ 838	\$ 838	\$ 8
Total	\$ —	\$ 838	\$ 838	\$ 8
As Percent of Net Assets Attributable to Contractholders			0.1%	—%

*Includes both monetary and non-monetary instruments

D. Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. The Fund Manager moderates this risk through careful selection of securities and other financial instruments within the parameters of the investment strategy. The maximum risk resulting from financial instruments is equivalent to their fair value.

For the Fund, the most significant exposure to other price risk arises from its investment in equity securities. As at December 31, 2023, had the prices on the respective stock exchanges for these securities increased or decreased by 1%, with all other variables held constant, assets would have increased (or decreased) by approximately \$13,193 (\$12,946 at December 31, 2022) or approximately 1.0% (1.0% at December 31, 2022) of total net assets attributable to contractholders. In practice, the actual results may differ and the difference could be significant.

Enhanced Dividend Fund (Laketon) SF039

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

E. Fair Value Classification

The following table presents information about the Fund's assets measured at fair value on a recurring basis and indicates the fair value hierarchy of the valuation techniques utilized by the Fund to determine such fair value:

<u>Assets measured at fair value</u>	2023			
	Assets Measured at Fair Value			
	Level 1	Level 2	Level 3	Total
Stocks	\$ 1,319,291	\$ —	\$ —	\$ 1,319,291
Total assets measured at fair value	\$ 1,319,291	\$ —	\$ —	\$ 1,319,291

<u>Assets measured at fair value</u>	2022			
	Assets Measured at Fair Value			
	Level 1	Level 2	Level 3	Total
Stocks	\$ 1,294,632	\$ —	\$ —	\$ 1,294,632
Total assets measured at fair value	\$ 1,294,632	\$ —	\$ —	\$ 1,294,632

There were no significant transfers between Level 1 and Level 2 during 2023 or 2022.

Enhanced Dividend Fund (Laketon) SF039

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance. Portfolio units are allocated to each category as described in note 3 and are not included on this page.

Net Assets Attributable to Contractholders by Category

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
Flex	523,466	611,770	671,491	738,153	844,825	31,353	35,246	40,138	34,363	41,637
Generations/Mosaic	4,024,825	4,652,951	5,083,192	5,855,385	6,767,471	234,636	260,921	295,736	265,306	324,635
Generations I	1,952,796	2,375,569	2,664,635	3,165,843	3,810,175	46,700	54,659	63,623	58,883	75,045
Generations II	589,921	658,304	702,170	785,783	1,007,124	11,886	12,822	14,260	12,490	17,032
Generations Core	1,171,531	1,324,220	1,470,872	1,717,111	2,006,369	25,730	27,951	32,183	29,234	36,133
75/75 guarantee policy	3,696,559	3,612,334	3,102,125	3,096,813	2,930,874	93,416	87,737	78,105	60,673	60,742
75/100 guarantee policy	11,655,744	11,428,720	10,019,652	10,372,798	10,553,982	291,191	274,715	249,942	201,568	217,188
100/100 guarantee policy	1,026,731	1,198,067	1,222,857	1,285,289	1,469,518	23,985	27,055	28,792	23,685	28,813
PS1 75/75 guarantee policy	2,887,619	2,465,681	1,810,628	1,472,415	1,338,704	64,396	52,651	39,930	25,173	24,120
PS1 75/100 guarantee policy	13,864,472	13,588,482	10,541,766	9,095,049	8,738,758	301,532	283,597	227,720	152,645	154,907
PS1 100/100 guarantee policy	1,083,560	1,408,809	1,395,692	1,268,465	1,182,437	22,634	28,333	29,149	20,651	20,399
PS2 75/75 guarantee policy	715,191	631,059	603,641	624,763	575,773	20,489	16,943	16,383	12,866	12,230
PS2 75/100 guarantee policy	1,556,519	1,572,847	1,506,673	1,733,767	2,055,607	44,586	42,224	40,887	35,700	43,659
PS2 100/100 guarantee policy	20,214	150,391	102,415	60,651	43,938	579	4,036	2,778	1,248	933
PS 75/75 guarantee policy	216,867	167,866	97,434	87,365	42,533	2,827	2,080	1,238	854	435
PS 75/100 guarantee policy	399,226	332,847	200,546	178,722	137,001	5,172	4,104	2,538	1,743	1,399
PS 100/100 guarantee policy	34,015	21,288	4,345	4,015	7,227	429	257	54	39	73
PPS 75/75 guarantee policy	173,020	184,862	113,745	98,599	22,015	2,302	2,329	1,464	973	226
PPS 75/100 guarantee policy	563,394	453,189	353,971	176,089	201,107	7,405	5,654	4,521	1,728	2,062
PPS 100/100 guarantee policy	15,733	2,814	1,783	842	37,127	203	35	23	8	379

Net Assets Attributable to Contractholders Per Unit (note 6)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
Flex	59.90	57.61	59.77	46.55	49.29	2.29	(2.16)
Generations/Mosaic	58.30	56.08	58.18	45.31	47.97	2.22	(2.10)
Generations I	23.91	23.01	23.88	18.60	19.70	0.90	(0.87)
Generations II	20.15	19.48	20.31	15.89	16.91	0.67	(0.83)
Generations Core	21.96	21.11	21.88	17.03	18.01	0.85	(0.77)
75/75 guarantee policy	25.27	24.29	25.18	19.59	20.73	0.98	(0.89)
75/100 guarantee policy	24.98	24.04	24.95	19.43	20.58	0.94	(0.91)
100/100 guarantee policy	23.36	22.58	23.55	18.43	19.61	0.78	(0.97)
PS1 75/75 guarantee policy	22.30	21.35	22.05	17.10	18.02	0.95	(0.70)
PS1 75/100 guarantee policy	21.75	20.87	21.60	16.78	17.73	0.88	(0.73)
PS1 100/100 guarantee policy	20.89	20.11	20.89	16.28	17.25	0.78	(0.78)
PS2 75/75 guarantee policy	28.65	26.85	27.14	20.59	21.24	1.80	(0.29)
PS2 75/100 guarantee policy	28.64	26.85	27.14	20.59	21.24	1.79	(0.29)
PS2 100/100 guarantee policy	28.63	26.83	27.13	20.58	21.23	1.80	(0.30)
PS 75/75 guarantee policy	13.03	12.39	12.70	9.78	10.23	0.64	(0.31)
PS 75/100 guarantee policy	12.96	12.33	12.65	9.75	10.21	0.63	(0.32)
PS 100/100 guarantee policy	12.63	12.07	12.45	9.64	10.14	0.56	(0.38)
PPS 75/75 guarantee policy	13.30	12.60	12.87	9.87	10.29	0.70	(0.27)
PPS 75/100 guarantee policy	13.14	12.48	12.77	9.81	10.25	0.66	(0.29)
PPS 100/100 guarantee policy	12.91	12.29	12.62	9.73	10.20	0.62	(0.33)

Enhanced Dividend Fund (Laketon) SF039

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Fund is offered by The Canada Life Assurance Company.

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

Enhanced Dividend Fund (Laketon) SF039

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

Enhanced Dividend Fund (Laketon) SF039

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in fair value measurements in the notes to the Schedule of Investment Portfolio.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

Enhanced Dividend Fund (Laketon) SF039

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Stocks

Stocks are recorded at fair value determined with reference to closing quoted market prices, where the last traded price falls within the day's bid-ask spread, primarily provided by third party independent pricing sources. Fair values are determined on the basis of the closing price for a security on the recognized exchange on which it is principally traded at each reporting date. In circumstances where the last traded price is not within the bid-ask spread, the Company determines the point when the bid-ask spread that is most representative of fair value based on the specific facts and circumstances.

The fair value of unlisted securities is established using quotations determined by a major dealer in a particular security. Should the quoted value for a security, in the opinion of the Fund Manager, be inaccurate, unreliable, or not readily available, the value of the security is estimated using valuation techniques. Valuation techniques include the market approach (using recent arm's-length market transactions adjusted as necessary and reference to the current market value of another instrument that is substantially the same) and the income approach (discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible).

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

Dividend income - accrued as of the ex-dividend date and recorded on the accrual basis.

Enhanced Dividend Fund (Laketon) SF039

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

Miscellaneous income (loss)

Miscellaneous income (loss) generally includes the changes in foreign exchange rates between trade and settlement dates, foreign exchange rates on bank balances, securities lending income, derivative income, and management fee rebates.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

Enhanced Dividend Fund (Laketon) SF039

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

k) Income Allocation

Net gain (loss) on investments, which includes dividend income, realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the net asset value (NAV) per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

m) Transaction Costs

Transaction costs, such as brokerage commissions, incurred in the purchase and sale of securities by the Fund are charged to expenses in the year.

Enhanced Dividend Fund (Laketon) SF039

Notes to the Financial Statements

(in Canadian \$ thousands)

3. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Emperor,
- Flex,
- Generations/Mosaic,
- Generations I,
- Generations II,
- Generations Core,
- Prestige/Prestige Plus, and
- Private Collections.

In addition to the Individual units, units are available for:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

Portfolio units are those units owned by the Asset Allocation Funds. Each Portfolio fund is represented by a separate category.

Group units are available to Canadian Group Registered and Non-Registered Plans, Group Registered Retirement Savings Plans, Deferred Profit Sharing Plans, and certain Money Purchase Plans.

The categories of units, and the various levels within each, are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

Enhanced Dividend Fund (Laketon) SF039

Notes to the Financial Statements

(in Canadian \$ thousands)

4. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

5. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

6. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

The NAV per unit for group contractholders has not been shown because it will vary for each sub-class within the group contractholder class based on negotiated expense levels and other factors.

Enhanced Dividend Fund (Laketon) SF039

Notes to the Financial Statements

(in Canadian \$ thousands)

7. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.
- c) The Fund invests in assets or underlying funds managed by Mackenzie Financial Corporation, which operates as Mackenzie Investments. All investment transactions with the corresponding underlying funds are at quoted market prices.

Enhanced Dividend Fund (Laketon) SF039

Supplemental Information *(unaudited)*

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾

For the years ended December 31	2023	2022	2021	2020	2019
Flex	2.60	2.60	2.60	2.61	2.61
Generations/Mosaic	2.60	2.60	2.61	2.61	2.61
Generations I	2.62	2.63	2.63	2.63	2.63
Generations II	3.10	3.10	3.10	3.10	3.11
Generations Core	2.51	2.52	2.52	2.52	2.52
75/75 guarantee policy	2.52	2.51	2.52	2.52	2.52
75/100 guarantee policy	2.63	2.62	2.63	2.63	2.63
100/100 guarantee policy	3.10	3.10	3.10	3.10	3.10
PS1 75/75 guarantee policy	2.14	2.14	2.14	2.15	2.15
PS1 75/100 guarantee policy	2.36	2.36	2.36	2.37	2.37
PS1 100/100 guarantee policy	2.69	2.69	2.69	2.70	2.70
PS 75/75 guarantee policy	1.42	1.41	1.42	1.42	1.41
PS 75/100 guarantee policy	1.53	1.52	1.53	1.53	1.53
PS 100/100 guarantee policy	2.00	2.00	2.00	2.01	2.00
PPS 75/75 guarantee policy	1.04	1.04	1.04	1.04	1.05
PPS 75/100 guarantee policy	1.26	1.26	1.26	1.27	1.27
PPS 100/100 guarantee policy	1.59	1.59	1.59	1.63	1.60

Portfolio Turnover Rate (%) ⁽²⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	57.02	13.75	7.48	12.65	7.69

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
GLOBAL EQUITY FUND (TRIMARK) SF051

December 31, 2023

Independent Auditor's Report

To the Contractholders of Global Equity Fund (Trimark) SF051 (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

Global Equity Fund (Trimark) SF051

(in Canadian \$ thousands)

Fund Manager: Invesco Canada Ltd.

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ —	\$ —
Investment income due and accrued	—	—
Due from The Canada Life Assurance Company (note 8)	—	—
Due from brokers	30	25
Due from outside parties	—	—
Investments		
Investment fund units (note 3)	54,491	59,793
Total investments	54,491	59,793
Total assets	\$ 54,521	\$ 59,818
Liabilities		
Overdrafts	\$ 30	\$ 31
Due to The Canada Life Assurance Company (note 8)	50	21
Due to brokers	—	—
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	80	52
Net assets attributable to contractholders	\$ 54,441	\$ 59,766

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 10,572	\$ (12,131)
Miscellaneous income (loss)	—	—
Total income (loss)	10,572	(12,131)
Expenses		
Management fees (note 8)	1,457	1,481
Other	160	161
Total expenses	1,617	1,642
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 8,955	\$ (13,773)

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year		
	\$ 59,766	\$ 76,607
Contractholder deposits	3,809	4,259
Contractholder withdrawals	(18,089)	(7,327)
Increase (decrease) in net assets from operations attributable to contractholders	8,955	(13,773)
Change in net assets attributable to contractholders	(5,325)	(16,841)
Net assets attributable to contractholders - end of year	\$ 54,441	\$ 59,766

Global Equity Fund (Trimark) SF051

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 8,955	\$ (13,773)
Adjustments		
Realized (gains) losses	(5,422)	(2,025)
Unrealized (gains) losses	86	14,836
Gross proceeds of disposition of investments	19,015	7,796
Gross payments for the purchase of investments	(3,141)	(3,045)
Distribution income of underlying mutual fund	(5,236)	(680)
Change in due from/to The Canada Life Assurance Company	29	(30)
Change in due from/to brokers	(5)	122
	<u>14,281</u>	<u>3,201</u>
Financing Activities		
Contractholder deposits	3,809	4,259
Contractholder withdrawals	(18,089)	(7,327)
	<u>(14,280)</u>	<u>(3,068)</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	1	133
Cash, short-term deposits and overdrafts, beginning of year	<u>(31)</u>	<u>(164)</u>
Cash, short-term deposits and overdrafts, end of year	<u>\$ (30)</u>	<u>\$ (31)</u>

Global Equity Fund (Trimark) SF051

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units)

As at December 31, 2023

	<u>No. of Units</u>	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units			
Invesco Global Companies Fund Series I	657,757	41,126	54,491
Total Investments		41,126	54,491

Top 25 Holdings

Security Description	% of Total
Canadian Dollar Cash Management Fund Series I	23.77%
Microsoft Corp.	3.45%
Alphabet Inc. Class A	2.11%
NVIDIA Corp.	1.77%
JPMorgan Chase & Co.	1.09%
Broadcom Inc.	1.01%
Barclays Bank PLC	0.71%
Booking Holdings Inc.	0.71%
Walmart Inc.	0.70%
Visa Inc. Class A	0.67%
UnitedHealth Group Inc.	0.63%
Citigroup Inc.	0.62%
Cisco Systems Inc.	0.59%
Adobe Inc.	0.57%
Citigroup Global Markets Holdings Inc.	0.57%
Eli Lilly and Co.	0.55%
Salesforce Inc.	0.54%
Comcast Corp. Class A	0.53%
Novo Nordisk AS	0.53%
Samsung Electronics Co. Ltd.	0.53%
HSBC Bank PLC	0.52%
Mastercard Inc. Class A	0.50%
Builders FirstSource Inc.	0.49%
Novartis AG	0.49%
Taiwan Semiconductor Manufacturing Co. Ltd. ADR	0.48%

Global Equity Fund (Trimark) SF051

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Net Assets Attributable to Contractholders by Category

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
Generations/Mosaic	579,304	669,156	757,929	868,800	1,022,466	17,113	17,062	23,873	24,454	28,464
Generations I	89,151	101,234	113,989	137,140	162,644	1,980	1,933	2,678	2,868	3,351
Generations II	5,331	5,769	13,187	8,281	11,632	98	91	258	145	201
Generations Core	44,985	46,522	55,092	52,198	75,088	901	800	1,163	979	1,386
75/75 guarantee policy	130,568	123,935	138,770	146,345	205,338	3,696	3,011	4,142	3,882	5,357
75/100 guarantee policy	406,381	416,960	438,139	501,858	552,530	11,243	9,919	12,826	13,077	14,185
100/100 guarantee policy	65,716	68,472	72,926	75,311	88,559	1,724	1,551	2,041	1,883	2,190
PS1 75/75 guarantee policy	71,366	85,024	75,091	57,598	53,789	1,904	1,937	2,091	1,418	1,296
PS1 75/100 guarantee policy	374,456	340,670	332,845	268,588	247,502	9,603	7,486	8,969	6,420	5,808
PS1 100/100 guarantee policy	46,773	33,915	29,602	28,706	27,214	1,139	711	764	660	617
PS2 75/75 guarantee policy	27,432	34,053	34,499	35,294	33,067	997	1,029	1,241	1,093	976
PS2 75/100 guarantee policy	102,731	109,865	109,891	106,141	74,634	3,733	3,320	3,952	3,287	2,202
PS2 100/100 guarantee policy	117	120	124	127	131	4	4	4	4	4
PS 75/75 guarantee policy	3,321	3,335	3,153	914	922	41	35	40	10	10
PS 75/100 guarantee policy	4,218	4,243	6,077	740	2,389	52	44	77	8	26
PPS 75/75 guarantee policy	8,791	1,920	2,219	—	—	112	21	29	—	—
PPS 75/100 guarantee policy	8,097	8,029	5,709	—	6,296	101	85	73	—	69

Net Assets Attributable to Contractholders Per Unit (note 7)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
Generations/Mosaic	29.54	25.50	31.50	28.15	27.84	4.04	(6.00)
Generations I	22.21	19.09	23.50	20.92	20.61	3.12	(4.41)
Generations II	18.35	15.84	19.56	17.48	17.29	2.51	(3.72)
Generations Core	20.02	17.19	21.11	18.76	18.46	2.83	(3.92)
75/75 guarantee policy	28.30	24.30	29.85	26.53	26.09	4.00	(5.55)
75/100 guarantee policy	27.67	23.79	29.27	26.06	25.67	3.88	(5.48)
100/100 guarantee policy	26.24	22.65	27.98	25.00	24.73	3.59	(5.33)
PS1 75/75 guarantee policy	26.68	22.78	27.84	24.62	24.09	3.90	(5.06)
PS1 75/100 guarantee policy	25.65	21.97	26.95	23.90	23.47	3.68	(4.98)
PS1 100/100 guarantee policy	24.36	20.96	25.82	23.01	22.69	3.40	(4.86)
PS2 75/75 guarantee policy	36.34	30.22	35.97	30.97	29.51	6.12	(5.75)
PS2 75/100 guarantee policy	36.34	30.22	35.97	30.97	29.51	6.12	(5.75)
PS2 100/100 guarantee policy	36.29	30.18	35.91	30.92	29.47	6.11	(5.73)
PS 75/75 guarantee policy	12.42	10.54	12.81	11.26	10.95	1.88	(2.27)
PS 75/100 guarantee policy	12.31	10.47	12.74	11.21	10.93	1.84	(2.27)
PPS 75/75 guarantee policy	12.70	10.73	12.97	—	—	1.97	(2.24)
PPS 75/100 guarantee policy	12.48	10.57	12.82	—	10.98	1.91	(2.25)

Global Equity Fund (Trimark) SF051

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Global Equity Fund (Trimark) SF051 (the Fund) is offered by The Canada Life Assurance Company (Canada Life or the Company).

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

Global Equity Fund (Trimark) SF051

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

Global Equity Fund (Trimark) SF051

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in note 9 on Financial Instrument Risk Management.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

Global Equity Fund (Trimark) SF051

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Investment Fund Units

Investment fund units are recorded at fair value, which is the closing net asset value (NAV) per unit of the underlying fund.

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Global Equity Fund (Trimark) SF051

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

Global Equity Fund (Trimark) SF051

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

k) Income Allocation

Net gain (loss) on investments, which includes realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the NAV per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

3. INVESTMENT FUND UNITS

Investment fund units of the Fund invest solely in underlying mutual funds.

As the Fund's assets are invested in underlying investment funds, the Fund indirectly pays management fees and operating expenses of the underlying funds. All such charges are included in the management expense ratio of the segregated funds.

Distributions of income from the underlying investment funds are shown as net gain (loss) on investments on the Statement of Comprehensive Income.

Investment activity of the underlying fund indirectly exposes the Fund to financial risk. See note 9 on Financial Instrument Risk Management.

Investments in unconsolidated structured entities

The Company has determined that the Fund meets the definition of an investment entity and as such, accounts for its holdings in unlisted open-ended investment funds at FVTPL. The Company has concluded that the underlying funds in which the Fund invests, but do not consolidate, meet the definition of structured entities because: (i) the voting rights in the underlying funds are not dominant rights in deciding who controls them; (ii) each underlying fund's activities are restricted by its prospectus; and (iii) the underlying funds have narrow and well-defined objectives to provide investment opportunities to investors.

Global Equity Fund (Trimark) SF051

Notes to the Financial Statements

(in Canadian \$ thousands)

4. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Emperor,
- Flex,
- Generations/Mosaic,
- Generations I,
- Generations II,
- Generations Core,
- Prestige/Prestige Plus, and
- Private Collections.

In addition to the Individual units, units are available for:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

Portfolio units are those units owned by the Asset Allocation Funds. Each Portfolio fund is represented by a separate category.

The categories of units, and the various levels within each, are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

Global Equity Fund (Trimark) SF051

Notes to the Financial Statements

(in Canadian \$ thousands)

5. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

6. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

7. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

Global Equity Fund (Trimark) SF051

Notes to the Financial Statements

(in Canadian \$ thousands)

8. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.

Global Equity Fund (Trimark) SF051

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT

a) Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023. The following sections describe the significant risks that are relevant to the Fund.

To assist with managing risk, the Fund Manager maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and securities regulations. Financial statements for the underlying funds, which include discussions about their respective risk exposure, are available upon request.

b) Liquidity Risk

Liquidity risk arises when a Fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units. As the Fund primarily invests all of its net assets in the underlying funds, liquidity risk is mitigated by the underlying funds' ability to meet the obligation to fund daily cash redemptions of their redeemable units/shares. In addition, the underlying funds retain sufficient cash and cash equivalent positions to maintain adequate liquidity.

c) Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The Fund's investments in all underlying funds are denominated in Canadian dollars. However, the Fund is indirectly exposed to currency risk to the extent that the investments of the underlying funds are denominated or traded in a foreign currency.

d) Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund does not directly hold any interest-bearing financial instruments. The Fund is indirectly exposed to the risk that the value of interest-bearing financial instruments held by the underlying funds will fluctuate due to changes in the prevailing levels of market interest rates.

e) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund has no direct exposure to credit risk. The greatest indirect concentration of credit risk is in debt securities, such as bonds, held by underlying funds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer.

f) Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. For the instruments held by the Fund, maximum risk of loss is equivalent to their fair value. The Fund Manager moderates this risk through a careful selection of underlying funds within the parameters of the investment strategy.

g) Fair Value Classification

Investment Fund Units are recorded at fair value, which is the closing NAV per unit of the underlying fund. This valuation is considered to be a Level 1 classification.

Global Equity Fund (Trimark) SF051

Supplemental Information (unaudited)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾

For the years ended December 31	2023	2022	2021	2020	2019
Generations/Mosaic	3.72	3.73	3.72	3.72	3.73
Generations I	3.34	3.35	3.34	3.33	3.35
Generations II	3.72	3.73	3.71	3.72	3.73
Generations Core	3.17	3.18	3.16	3.17	3.18
75/75 guarantee policy	3.17	3.18	3.17	3.17	3.18
75/100 guarantee policy	3.34	3.34	3.34	3.33	3.34
100/100 guarantee policy	3.72	3.73	3.72	3.72	3.73
PS1 75/75 guarantee policy	2.66	2.66	2.65	2.65	2.66
PS1 75/100 guarantee policy	2.99	2.99	2.98	2.98	2.99
PS1 100/100 guarantee policy	3.43	3.43	3.42	3.42	3.44
PS 75/75 guarantee policy	2.06	2.07	2.05	2.06	2.05
PS 75/100 guarantee policy	2.23	2.24	2.23	2.24	2.22
PPS 75/75 guarantee policy	1.55	1.56	1.53	—	—
PPS 75/100 guarantee policy	1.88	1.88	1.86	—	1.89

Portfolio Turnover Rate (%) ⁽²⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	5.16	4.72	4.11	23.78	10.67

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
CANADIAN EQUITY FUND (TRIMARK) SF052

December 31, 2023

Independent Auditor's Report

To the Contractholders of Canadian Equity Fund (Trimark) SF052 (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

Canadian Equity Fund (Trimark) SF052

(in Canadian \$ thousands)

Fund Manager: Fiera Capital Corporation

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ —	\$ —
Investment income due and accrued	—	—
Due from The Canada Life Assurance Company (note 8)	—	—
Due from brokers	—	10
Due from outside parties	—	—
Investments		
Investment fund units (note 3)	5,698	5,670
Total investments	5,698	5,670
Total assets	\$ 5,698	\$ 5,680
Liabilities		
Overdrafts	\$ 3	\$ 52
Due to The Canada Life Assurance Company (note 8)	1	3
Due to brokers	—	—
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	4	55
Net assets attributable to contractholders	\$ 5,694	\$ 5,625

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 778	\$ (96)
Miscellaneous income (loss)	—	—
Total income (loss)	778	(96)
Expenses		
Management fees (note 8)	168	181
Other	18	20
Total expenses	186	201
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 592	\$ (297)

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year		
	\$ 5,625	\$ 6,697
Contractholder deposits	102	62
Contractholder withdrawals	(625)	(837)
Increase (decrease) in net assets from operations attributable to contractholders	592	(297)
Change in net assets attributable to contractholders	69	(1,072)
Net assets attributable to contractholders - end of year	\$ 5,694	\$ 5,625

Canadian Equity Fund (Trimark) SF052

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 592	\$ (297)
Adjustments		
Realized (gains) losses	(176)	(170)
Unrealized (gains) losses	(482)	408
Gross proceeds of disposition of investments	861	1,065
Gross payments for the purchase of investments	(111)	(118)
Distribution income of underlying mutual fund	(120)	(142)
Change in due from/to The Canada Life Assurance Company	(2)	(13)
Change in due from/to brokers	10	(9)
	<u>572</u>	<u>724</u>
Financing Activities		
Contractholder deposits	102	62
Contractholder withdrawals	(625)	(837)
	<u>(523)</u>	<u>(775)</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	49	(51)
Cash, short-term deposits and overdrafts, beginning of year	(52)	(1)
Cash, short-term deposits and overdrafts, end of year	\$ (3)	\$ (52)

Canadian Equity Fund (Trimark) SF052

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units)

As at December 31, 2023

	<u>No. of Units</u>	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units			
Fiera Canadian Dividend Plus Fund Series F	202,818	4,270	5,698
Total Investments		4,270	5,698

Top 25 Holdings

Security Description	% of Total
Costco Wholesale Corp.	5.42%
Constellation Software Inc.	4.98%
Visa Inc. Class A	4.31%
Canadian Pacific Kansas City Ltd.	4.24%
Royal Bank of Canada	4.09%
McDonald's Corp.	3.77%
The Toronto-Dominion Bank	3.68%
PepsiCo Inc.	3.65%
TELUS Corp.	3.63%
Alimentation Couche-Tard Inc.	3.62%
The TJX Companies Inc.	3.46%
Bank of Montreal	3.45%
Restaurant Brands International Inc.	3.44%
Intact Financial Corp.	3.38%
Metro Inc.	3.38%
Loblaw Companies Ltd.	3.29%
Dollarama Inc.	3.26%
TMX Group Ltd.	3.24%
FactSet Research Systems Inc.	3.21%
Accenture PLC	3.19%
Canadian National Railway Co.	3.14%
Thomson Reuters Corp.	3.11%
National Bank of Canada	3.09%
Toromont Industries Ltd.	2.85%
CGI Group Inc. Class A sub. voting	2.79%

Canadian Equity Fund (Trimark) SF052

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Net Assets Attributable to Contractholders by Category

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
Generations/Mosaic	139,422	154,427	175,407	203,575	229,758	3,223	3,224	3,839	3,637	4,252
Generations I	21,959	25,036	26,322	29,043	35,902	319	328	361	324	415
Generations II	5,203	5,349	5,535	5,258	5,210	72	67	73	56	58
Generations Core	11,402	11,555	11,879	13,999	13,960	170	155	165	158	162
75/75 guarantee policy	13,177	13,664	14,304	17,398	18,653	222	206	225	222	245
75/100 guarantee policy	16,722	20,277	23,402	25,840	34,683	270	295	356	320	444
100/100 guarantee policy	34,462	38,208	48,499	53,474	59,413	538	539	717	646	743
PS1 75/75 guarantee policy	6,715	3,823	3,314	1,620	1,966	120	61	55	22	27
PS1 75/100 guarantee policy	8,312	7,477	7,885	12,863	9,106	145	117	128	169	122
PS1 100/100 guarantee policy	26,861	31,567	34,391	37,848	32,600	450	475	539	482	427
PS2 75/75 guarantee policy	—	—	—	—	5,791	—	—	—	—	95
PS2 75/100 guarantee policy	3,362	3,441	5,825	6,595	9,462	80	71	122	109	156
PS2 100/100 guarantee policy	3,561	4,228	5,589	5,760	5,405	85	87	117	95	89

Net Assets Attributable to Contractholders Per Unit (note 7)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
Generations/Mosaic	23.11	20.88	21.89	17.87	18.51	2.23	(1.01)
Generations I	14.55	13.11	13.72	11.17	11.55	1.44	(0.61)
Generations II	13.86	12.51	13.12	10.71	11.09	1.35	(0.61)
Generations Core	14.91	13.38	13.93	11.30	11.63	1.53	(0.55)
75/75 guarantee policy	16.82	15.10	15.72	12.75	13.12	1.72	(0.62)
75/100 guarantee policy	16.13	14.54	15.21	12.39	12.80	1.59	(0.67)
100/100 guarantee policy	15.62	14.11	14.79	12.08	12.51	1.51	(0.68)
PS1 75/75 guarantee policy	17.87	15.96	16.54	13.35	13.67	1.91	(0.58)
PS1 75/100 guarantee policy	17.42	15.59	16.20	13.10	13.45	1.83	(0.61)
PS1 100/100 guarantee policy	16.76	15.05	15.69	12.73	13.11	1.71	(0.64)
PS2 75/75 guarantee policy	—	—	—	—	16.45	—	—
PS2 75/100 guarantee policy	23.74	20.68	20.91	16.46	16.45	3.06	(0.23)
PS2 100/100 guarantee policy	23.74	20.68	20.91	16.46	16.45	3.06	(0.23)

Canadian Equity Fund (Trimark) SF052

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Canadian Equity Fund (Trimark) SF052 (the Fund) is offered by The Canada Life Assurance Company (Canada Life or the Company).

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

Canadian Equity Fund (Trimark) SF052

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

Canadian Equity Fund (Trimark) SF052

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in note 9 on Financial Instrument Risk Management.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

Canadian Equity Fund (Trimark) SF052

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Investment Fund Units

Investment fund units are recorded at fair value, which is the closing net asset value (NAV) per unit of the underlying fund.

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Canadian Equity Fund (Trimark) SF052

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

Canadian Equity Fund (Trimark) SF052

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

k) Income Allocation

Net gain (loss) on investments, which includes realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the NAV per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

3. INVESTMENT FUND UNITS

Investment fund units of the Fund invest solely in underlying mutual funds.

As the Fund's assets are invested in underlying investment funds, the Fund indirectly pays management fees and operating expenses of the underlying funds. All such charges are included in the management expense ratio of the segregated funds.

Distributions of income from the underlying investment funds are shown as net gain (loss) on investments on the Statement of Comprehensive Income.

Investment activity of the underlying fund indirectly exposes the Fund to financial risk. See note 9 on Financial Instrument Risk Management.

Investments in unconsolidated structured entities

The Company has determined that the Fund meets the definition of an investment entity and as such, accounts for its holdings in unlisted open-ended investment funds at FVTPL. The Company has concluded that the underlying funds in which the Fund invests, but do not consolidate, meet the definition of structured entities because: (i) the voting rights in the underlying funds are not dominant rights in deciding who controls them; (ii) each underlying fund's activities are restricted by its prospectus; and (iii) the underlying funds have narrow and well-defined objectives to provide investment opportunities to investors.

Canadian Equity Fund (Trimark) SF052

Notes to the Financial Statements

(in Canadian \$ thousands)

4. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Emperor,
- Flex,
- Generations/Mosaic,
- Generations I,
- Generations II,
- Generations Core,
- Prestige/Prestige Plus, and
- Private Collections.

In addition to the Individual units, units are available for:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

The categories of units, and the various levels within each, are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

Canadian Equity Fund (Trimark) SF052

Notes to the Financial Statements

(in Canadian \$ thousands)

5. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

6. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

7. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

Canadian Equity Fund (Trimark) SF052

Notes to the Financial Statements

(in Canadian \$ thousands)

8. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.

Canadian Equity Fund (Trimark) SF052

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT

a) Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023. The following sections describe the significant risks that are relevant to the Fund.

To assist with managing risk, the Fund Manager maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and securities regulations. Financial statements for the underlying funds, which include discussions about their respective risk exposure, are available upon request.

b) Liquidity Risk

Liquidity risk arises when a Fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units. As the Fund primarily invests all of its net assets in the underlying funds, liquidity risk is mitigated by the underlying funds' ability to meet the obligation to fund daily cash redemptions of their redeemable units/shares. In addition, the underlying funds retain sufficient cash and cash equivalent positions to maintain adequate liquidity.

c) Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The Fund's investments in all underlying funds are denominated in Canadian dollars. However, the Fund is indirectly exposed to currency risk to the extent that the investments of the underlying funds are denominated or traded in a foreign currency.

d) Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund does not directly hold any interest-bearing financial instruments. The Fund is indirectly exposed to the risk that the value of interest-bearing financial instruments held by the underlying funds will fluctuate due to changes in the prevailing levels of market interest rates.

e) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund has no direct exposure to credit risk. The greatest indirect concentration of credit risk is in debt securities, such as bonds, held by underlying funds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer.

f) Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. For the instruments held by the Fund, maximum risk of loss is equivalent to their fair value. The Fund Manager moderates this risk through a careful selection of underlying funds within the parameters of the investment strategy.

g) Fair Value Classification

Investment Fund Units are recorded at fair value, which is the closing NAV per unit of the underlying fund. This valuation is considered to be a Level 1 classification.

Canadian Equity Fund (Trimark) SF052

Supplemental Information (unaudited)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾

For the years ended December 31	2023	2022	2021	2020	2019
Generations/Mosaic	3.62	3.63	3.62	3.62	3.61
Generations I	3.40	3.41	3.40	3.40	3.39
Generations II	3.62	3.63	3.61	3.62	3.62
Generations Core	2.96	2.97	2.96	2.96	2.95
75/75 guarantee policy	2.96	2.97	2.96	2.96	2.95
75/100 guarantee policy	3.40	3.41	3.40	3.40	3.39
100/100 guarantee policy	3.62	3.63	3.62	3.62	3.61
PS1 75/75 guarantee policy	2.47	2.48	2.47	2.49	2.49
PS1 75/100 guarantee policy	2.69	2.71	2.71	2.70	2.73
PS1 100/100 guarantee policy	3.02	3.04	3.03	3.04	3.04

Unsubsidized Management Expense Ratio (%) ⁽²⁾

For the years ended December 31	2023	2022	2021	2020	2019
PS1 75/75 guarantee policy	2.49	2.50	2.47	2.49	2.49
PS1 75/100 guarantee policy	2.71	2.73	2.71	2.70	2.73
PS1 100/100 guarantee policy	3.04	3.06	3.03	3.04	3.04

Portfolio Turnover Rate (%) ⁽³⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	1.95	1.93	3.41	3.60	6.12

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The Company has waived a portion of the fees for the Preferred Series 1 and Preferred Partner Series guarantee policies. There is no obligation for the Company to continue waiving these fees and it may cease to do so at any time without notice.

(3) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
BALANCED FUND (TRIMARK) SF054

December 31, 2023

Independent Auditor's Report

To the Contractholders of Balanced Fund (Trimark) SF054 (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

Balanced Fund (Trimark) SF054

(in Canadian \$ thousands)

Fund Manager: Invesco Canada Ltd.

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ —	\$ —
Investment income due and accrued	—	—
Due from The Canada Life Assurance Company (note 8)	221	1
Due from brokers	266	225
Due from outside parties	—	—
Investments		
Investment fund units (note 3)	272,746	221,405
Total investments	272,746	221,405
Total assets	\$ 273,233	\$ 221,631
Liabilities		
Overdrafts	\$ 42	\$ 64
Due to The Canada Life Assurance Company (note 8)	—	—
Due to brokers	—	—
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	42	64
Net assets attributable to contractholders	\$ 273,191	\$ 221,567

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 44,749	\$ (37,156)
Miscellaneous income (loss)	—	—
Total income (loss)	44,749	(37,156)
Expenses		
Management fees (note 8)	6,132	5,941
Other	657	628
Total expenses	6,789	6,569
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 37,960	\$ (43,725)

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year		
	\$ 221,567	\$ 247,310
Contractholder deposits	48,970	43,042
Contractholder withdrawals	(35,306)	(25,060)
Increase (decrease) in net assets from operations attributable to contractholders	37,960	(43,725)
Change in net assets attributable to contractholders	51,624	(25,743)
Net assets attributable to contractholders - end of year	\$ 273,191	\$ 221,567

Balanced Fund (Trimark) SF054

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 37,960	\$ (43,725)
Adjustments		
Realized (gains) losses	(2,797)	(3,787)
Unrealized (gains) losses	(31,399)	45,964
Gross proceeds of disposition of investments	18,734	24,306
Gross payments for the purchase of investments	(25,326)	(35,870)
Distribution income of underlying mutual fund	(10,553)	(5,021)
Change in due from/to The Canada Life Assurance Company	(220)	184
Change in due from/to brokers	(41)	(414)
	<u>(13,642)</u>	<u>(18,363)</u>
Financing Activities		
Contractholder deposits	48,970	43,042
Contractholder withdrawals	(35,306)	(25,060)
	<u>13,664</u>	<u>17,982</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	22	(381)
Cash, short-term deposits and overdrafts, beginning of year	(64)	317
Cash, short-term deposits and overdrafts, end of year	\$ (42)	\$ (64)

Balanced Fund (Trimark) SF054

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units)

As at December 31, 2023

	<u>No. of Units</u>	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units			
Invesco Income Growth Fund Series I	11,502,471	221,170	272,746
Total Investments		221,170	272,746

Top 25 Holdings

Security Description	% of Total
Brookfield Corp.	6.08%
Royal Bank of Canada	4.09%
ICON PLC	3.44%
UnitedHealth Group Inc.	3.10%
The Toronto-Dominion Bank	2.98%
Canadian Natural Resources Ltd.	2.91%
TELUS Corp.	2.83%
Aon Corp.	2.65%
Colliers International Group Inc.	2.51%
Alphabet Inc. Class C	2.23%
Open Text Corp.	2.14%
Waters Corp.	2.14%
Onex Corp. sub. voting	2.05%
Fairfax Financial Holdings Ltd. sub. voting	2.04%
Berkshire Hathaway Inc. Class B	1.98%
CGI Group Inc. Class A sub. voting	1.96%
Canadian Dollar Cash Management Fund Series I	1.91%
BRP Inc.	1.90%
CDW Corp.	1.89%
Canadian Pacific Kansas City Ltd.	1.81%
Marriott International Inc. Class A	1.80%
Texas Instruments Inc.	1.78%
Dollar General Corp.	1.69%
The Bank of Nova Scotia	1.63%
Richelieu Hardware Ltd.	1.62%

Balanced Fund (Trimark) SF054

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Net Assets Attributable to Contractholders by Category

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
Generations/Mosaic	1,008,110	1,188,819	1,304,589	1,321,583	1,556,432	33,685	34,224	45,519	37,021	42,510
Generations I	679,445	804,705	995,667	1,081,351	1,270,957	13,897	14,109	21,051	18,262	20,821
Generations II	66,563	76,442	89,772	93,230	235,542	1,270	1,252	1,776	1,476	3,622
Generations Core	94,871	118,614	131,375	134,170	188,198	1,880	2,011	2,682	2,185	2,968
75/75 guarantee policy	810,661	771,980	702,776	530,933	473,149	17,682	14,411	15,796	9,517	8,215
75/100 guarantee policy	5,832,242	5,150,449	4,392,442	2,753,511	3,089,939	125,679	95,136	97,839	48,991	53,331
100/100 guarantee policy	211,651	238,202	242,298	138,256	174,928	4,447	4,297	5,280	2,410	2,963
PS1 75/75 guarantee policy	480,515	385,188	317,976	186,569	127,314	10,736	7,328	7,246	3,373	2,218
PS1 75/100 guarantee policy	1,826,074	1,576,580	1,263,967	713,248	1,334,742	40,097	29,525	28,401	12,737	23,005
PS1 100/100 guarantee policy	175,304	112,919	280,326	76,666	58,998	3,744	2,061	6,154	1,341	998
PS2 75/75 guarantee policy	76,534	79,312	83,097	24,526	20,116	2,241	1,932	2,369	542	419
PS2 75/100 guarantee policy	203,320	218,674	198,551	145,042	144,661	5,961	5,334	5,668	3,210	3,014
PS2 100/100 guarantee policy	1,807	—	—	—	—	53	—	—	—	—
PS 75/75 guarantee policy	23,225	18,737	19,823	6,743	3,971	320	218	275	74	42
PS 75/100 guarantee policy	696,923	802,614	496,718	125,443	96,350	9,516	9,291	6,858	1,368	1,008
PPS 75/75 guarantee policy	25,465	26,045	24,085	11,382	—	358	309	338	125	—
PPS 75/100 guarantee policy	116,438	10,977	4,125	3,409	11,510	1,625	129	58	37	121

Net Assets Attributable to Contractholders Per Unit (note 7)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
Generations/Mosaic	33.41	28.79	34.89	28.01	27.31	4.62	(6.10)
Generations I	20.45	17.53	21.14	16.89	16.38	2.92	(3.61)
Generations II	19.07	16.38	19.78	15.83	15.38	2.69	(3.40)
Generations Core	19.81	16.96	20.42	16.28	15.77	2.85	(3.46)
75/75 guarantee policy	21.81	18.67	22.48	17.93	17.36	3.14	(3.81)
75/100 guarantee policy	21.55	18.47	22.27	17.79	17.26	3.08	(3.80)
100/100 guarantee policy	21.01	18.04	21.79	17.43	16.94	2.97	(3.75)
PS1 75/75 guarantee policy	22.34	19.02	22.79	18.08	17.42	3.32	(3.77)
PS1 75/100 guarantee policy	21.96	18.73	22.47	17.86	17.24	3.23	(3.74)
PS1 100/100 guarantee policy	21.36	18.26	21.95	17.49	16.91	3.10	(3.69)
PS2 75/75 guarantee policy	29.28	24.36	28.51	22.10	20.81	4.92	(4.15)
PS2 75/100 guarantee policy	29.32	24.39	28.55	22.13	20.84	4.93	(4.16)
PS2 100/100 guarantee policy	29.11	—	—	—	—	4.89	—
PS 75/75 guarantee policy	13.77	11.66	13.88	10.95	10.49	2.11	(2.22)
PS 75/100 guarantee policy	13.65	11.58	13.81	10.91	10.46	2.07	(2.23)
PPS 75/75 guarantee policy	14.08	11.86	14.05	11.03	—	2.22	(2.19)
PPS 75/100 guarantee policy	13.96	11.77	13.97	10.98	10.54	2.19	(2.20)

Balanced Fund (Trimark) SF054

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Balanced Fund (Trimark) SF054 (the Fund) is offered by The Canada Life Assurance Company (Canada Life or the Company).

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

Balanced Fund (Trimark) SF054

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

Balanced Fund (Trimark) SF054

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in note 9 on Financial Instrument Risk Management.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

Balanced Fund (Trimark) SF054

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Investment Fund Units

Investment fund units are recorded at fair value, which is the closing net asset value (NAV) per unit of the underlying fund.

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Balanced Fund (Trimark) SF054

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

Balanced Fund (Trimark) SF054

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

k) Income Allocation

Net gain (loss) on investments, which includes realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the NAV per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

3. INVESTMENT FUND UNITS

Investment fund units of the Fund invest solely in underlying mutual funds.

As the Fund's assets are invested in underlying investment funds, the Fund indirectly pays management fees and operating expenses of the underlying funds. All such charges are included in the management expense ratio of the segregated funds.

Distributions of income from the underlying investment funds are shown as net gain (loss) on investments on the Statement of Comprehensive Income.

Investment activity of the underlying fund indirectly exposes the Fund to financial risk. See note 9 on Financial Instrument Risk Management.

Investments in unconsolidated structured entities

The Company has determined that the Fund meets the definition of an investment entity and as such, accounts for its holdings in unlisted open-ended investment funds at FVTPL. The Company has concluded that the underlying funds in which the Fund invests, but do not consolidate, meet the definition of structured entities because: (i) the voting rights in the underlying funds are not dominant rights in deciding who controls them; (ii) each underlying fund's activities are restricted by its prospectus; and (iii) the underlying funds have narrow and well-defined objectives to provide investment opportunities to investors.

Balanced Fund (Trimark) SF054

Notes to the Financial Statements

(in Canadian \$ thousands)

4. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Emperor,
- Flex,
- Generations/Mosaic,
- Generations I,
- Generations II,
- Generations Core,
- Prestige/Prestige Plus, and
- Private Collections.

In addition to the Individual units, units are available for:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

The categories of units, and the various levels within each, are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

Balanced Fund (Trimark) SF054

Notes to the Financial Statements

(in Canadian \$ thousands)

5. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

6. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

7. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

Balanced Fund (Trimark) SF054

Notes to the Financial Statements

(in Canadian \$ thousands)

8. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.

Balanced Fund (Trimark) SF054

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT

a) Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023. The following sections describe the significant risks that are relevant to the Fund.

To assist with managing risk, the Fund Manager maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and securities regulations. Financial statements for the underlying funds, which include discussions about their respective risk exposure, are available upon request.

b) Liquidity Risk

Liquidity risk arises when a Fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units. As the Fund primarily invests all of its net assets in the underlying funds, liquidity risk is mitigated by the underlying funds' ability to meet the obligation to fund daily cash redemptions of their redeemable units/shares. In addition, the underlying funds retain sufficient cash and cash equivalent positions to maintain adequate liquidity.

c) Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The Fund's investments in all underlying funds are denominated in Canadian dollars. However, the Fund is indirectly exposed to currency risk to the extent that the investments of the underlying funds are denominated or traded in a foreign currency.

d) Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund does not directly hold any interest-bearing financial instruments. The Fund is indirectly exposed to the risk that the value of interest-bearing financial instruments held by the underlying funds will fluctuate due to changes in the prevailing levels of market interest rates.

e) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund has no direct exposure to credit risk. The greatest indirect concentration of credit risk is in debt securities, such as bonds, held by underlying funds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer.

f) Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. For the instruments held by the Fund, maximum risk of loss is equivalent to their fair value. The Fund Manager moderates this risk through a careful selection of underlying funds within the parameters of the investment strategy.

g) Fair Value Classification

Investment Fund Units are recorded at fair value, which is the closing NAV per unit of the underlying fund. This valuation is considered to be a Level 1 classification.

Balanced Fund (Trimark) SF054

Supplemental Information (unaudited)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾

For the years ended December 31	2023	2022	2021	2020	2019
Generations/Mosaic	3.50	3.50	3.50	3.50	3.51
Generations I	2.99	2.99	2.99	2.99	3.00
Generations II	3.15	3.16	3.16	3.18	3.16
Generations Core	2.83	2.84	2.84	2.84	2.84
75/75 guarantee policy	2.83	2.83	2.83	2.84	2.84
75/100 guarantee policy	2.99	2.98	2.98	2.99	2.99
100/100 guarantee policy	3.15	3.16	3.14	3.16	3.16
PS1 75/75 guarantee policy	2.32	2.32	2.31	2.32	2.32
PS1 75/100 guarantee policy	2.48	2.48	2.48	2.50	2.49
PS1 100/100 guarantee policy	2.71	2.71	2.71	2.71	2.71
PS 75/75 guarantee policy	1.73	1.73	1.72	1.73	1.72
PS 75/100 guarantee policy	1.88	1.88	1.87	1.88	1.89
PPS 75/75 guarantee policy	1.21	1.21	1.21	1.22	—
PPS 75/100 guarantee policy	1.38	1.37	1.38	1.41	1.38

Portfolio Turnover Rate (%) ⁽²⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	7.74	10.35	2.86	5.23	7.00

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
INDEXED CANADIAN BOND FUND (TDQC) SF079

December 31, 2023

Independent Auditor's Report

To the Contractholders of Indexed Canadian Bond Fund (TDQC) SF079 (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

Indexed Canadian Bond Fund (TDQC) SF079

(in Canadian \$ thousands)

Fund Manager: TD Asset Management Inc.

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ —	\$ —
Investment income due and accrued	—	—
Due from The Canada Life Assurance Company (note 8)	—	6
Due from brokers	—	7
Due from outside parties	—	—
Investments		
Investment fund units (note 3)	9,387	10,907
Total investments	9,387	10,907
Total assets	\$ 9,387	\$ 10,920
Liabilities		
Overdrafts	\$ 3	\$ 9
Due to The Canada Life Assurance Company (note 8)	—	—
Due to brokers	—	—
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	3	9
Net assets attributable to contractholders	\$ 9,384	\$ 10,911

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 621	\$ (1,642)
Miscellaneous income (loss)	—	—
Total income (loss)	621	(1,642)
Expenses		
Management fees (note 8)	184	221
Other	19	23
Total expenses	203	244
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 418	\$ (1,886)

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year		
	\$ 10,911	\$ 14,841
Contractholder deposits	100	158
Contractholder withdrawals	(2,045)	(2,202)
Increase (decrease) in net assets from operations attributable to contractholders	418	(1,886)
Change in net assets attributable to contractholders	(1,527)	(3,930)
Net assets attributable to contractholders - end of year	\$ 9,384	\$ 10,911

Indexed Canadian Bond Fund (TDQC) SF079

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 418	\$ (1,886)
Adjustments		
Realized (gains) losses	332	224
Unrealized (gains) losses	(633)	1,776
Gross proceeds of disposition of investments	2,173	2,401
Gross payments for the purchase of investments	(32)	(121)
Distribution income of underlying mutual fund	(320)	(358)
Change in due from/to The Canada Life Assurance Company	6	(6)
Change in due from/to brokers	7	(5)
	<u>1,951</u>	<u>2,025</u>
Financing Activities		
Contractholder deposits	100	158
Contractholder withdrawals	(2,045)	(2,202)
	<u>(1,945)</u>	<u>(2,044)</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	6	(19)
Cash, short-term deposits and overdrafts, beginning of year	(9)	10
Cash, short-term deposits and overdrafts, end of year	\$ (3)	\$ (9)

Indexed Canadian Bond Fund (TDQC) SF079

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units)

As at December 31, 2023

	<u>No. of Units</u>	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units			
TD Emerald Canadian Bond Index Fund Class B	816,283	10,466	9,387
Total Investments		10,466	9,387

Top 25 Holdings

Security Description	% of Total
Government of Canada 1.50% 06-01-2031	1.55%
Government of Canada 1.50% 12-01-2031	1.51%
Government of Canada 1.25% 06-01-2030	1.45%
Government of Canada 3.25% 12-01-2033	1.40%
Government of Canada 2.00% 12-01-2051	1.34%
Government of Canada 0.50% 12-01-2030	1.32%
Government of Canada 3.50% 03-01-2028	1.14%
Government of Canada 0.50% 09-01-2025	1.04%
Government of Canada 1.75% 12-01-2053	1.02%
Government of Canada 3.25% 09-01-2028	0.94%
Government of Canada 4.50% 11-01-2025	0.94%
Canada Housing Trust No. 1 1.95% 12-15-2025	0.91%
Government of Canada 3.75% 02-01-2025	0.91%
Government of Canada 2.25% 06-01-2025	0.88%
Government of Canada 2.75% 09-01-2027	0.86%
Government of Canada 2.00% 06-01-2032	0.81%
Government of Canada 2.50% 12-01-2032	0.77%
Government of Canada 3.50% 08-01-2025	0.74%
Province of Ontario 2.60% 06-02-2025	0.74%
Province of Ontario 2.60% 06-02-2027	0.74%
Government of Canada 2.75% 06-01-2033	0.69%
Government of Canada 1.25% 03-01-2027	0.64%
Province of Ontario 2.70% 06-02-2029	0.64%
Government of Canada 0.25% 03-01-2026	0.63%
Government of Canada 1.25% 03-01-2025	0.59%

Indexed Canadian Bond Fund (TDQC) SF079

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Net Assets Attributable to Contractholders by Category

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
Generations/Mosaic	179,305	211,930	268,479	302,243	317,588	2,873	3,261	4,792	5,675	5,632
Generations I	102,113	122,252	138,607	174,689	185,380	1,290	1,478	1,936	2,557	2,553
Generations II	10,305	24,562	26,455	34,448	35,768	123	280	349	476	465
Generations Core	69,464	81,518	95,536	110,634	108,968	846	949	1,285	1,558	1,444
75/75 guarantee policy	117,103	133,607	147,721	176,844	215,576	1,315	1,435	1,832	2,297	2,633
75/100 guarantee policy	77,384	99,473	117,300	154,674	211,281	862	1,060	1,444	1,996	2,565
100/100 guarantee policy	37,051	70,550	73,774	107,483	131,983	408	745	900	1,375	1,589
PS1 75/75 guarantee policy	63,998	63,649	71,173	68,137	68,655	695	657	844	841	792
PS1 75/100 guarantee policy	67,823	71,578	91,547	120,938	155,883	732	735	1,080	1,487	1,793
PS1 100/100 guarantee policy	21,587	29,763	30,992	27,466	46,908	230	301	361	334	534
PS2 75/75 guarantee policy	789	804	820	836	853	10	10	11	12	11
PS2 100/100 guarantee policy	—	—	526	13,360	24,720	—	—	7	186	317
PS 100/100 guarantee policy	—	—	—	—	2,413	—	—	—	—	25
PPS 100/100 guarantee policy	—	—	—	253	20,552	—	—	—	3	218

Net Assets Attributable to Contractholders Per Unit (note 7)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
Generations/Mosaic	16.02	15.39	17.85	18.78	17.73	0.63	(2.46)
Generations I	12.64	12.09	13.97	14.64	13.77	0.55	(1.88)
Generations II	11.91	11.40	13.18	13.82	13.01	0.51	(1.78)
Generations Core	12.18	11.65	13.45	14.09	13.25	0.53	(1.80)
75/75 guarantee policy	11.23	10.74	12.40	12.99	12.22	0.49	(1.66)
75/100 guarantee policy	11.14	10.65	12.31	12.90	12.14	0.49	(1.66)
100/100 guarantee policy	11.02	10.55	12.20	12.79	12.04	0.47	(1.65)
PS1 75/75 guarantee policy	10.85	10.32	11.85	12.34	11.54	0.53	(1.53)
PS1 75/100 guarantee policy	10.80	10.27	11.80	12.30	11.50	0.53	(1.53)
PS1 100/100 guarantee policy	10.63	10.13	11.65	12.15	11.38	0.50	(1.52)
PS2 75/75 guarantee policy	12.76	11.97	13.55	13.91	12.83	0.79	(1.58)
PS2 100/100 guarantee policy	—	—	13.52	13.89	12.81	—	—
PS 100/100 guarantee policy	—	—	—	—	10.51	—	—
PPS 100/100 guarantee policy	—	—	—	11.38	10.60	—	—

Indexed Canadian Bond Fund (TDQC) SF079

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Indexed Canadian Bond Fund (TDQC) SF079 (the Fund) is offered by The Canada Life Assurance Company (Canada Life or the Company).

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

Indexed Canadian Bond Fund (TDQC) SF079

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

Indexed Canadian Bond Fund (TDQC) SF079

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in note 9 on Financial Instrument Risk Management.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

Indexed Canadian Bond Fund (TDQC) SF079

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Investment Fund Units

Investment fund units are recorded at fair value, which is the closing net asset value (NAV) per unit of the underlying fund.

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Indexed Canadian Bond Fund (TDQC) SF079

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

Indexed Canadian Bond Fund (TDQC) SF079

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

k) Income Allocation

Net gain (loss) on investments, which includes realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the NAV per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

3. INVESTMENT FUND UNITS

Investment fund units of the Fund invest solely in underlying mutual funds.

As the Fund's assets are invested in underlying investment funds, the Fund indirectly pays management fees and operating expenses of the underlying funds. All such charges are included in the management expense ratio of the segregated funds.

Distributions of income from the underlying investment funds are shown as net gain (loss) on investments on the Statement of Comprehensive Income.

Investment activity of the underlying fund indirectly exposes the Fund to financial risk. See note 9 on Financial Instrument Risk Management.

Investments in unconsolidated structured entities

The Company has determined that the Fund meets the definition of an investment entity and as such, accounts for its holdings in unlisted open-ended investment funds at FVTPL. The Company has concluded that the underlying funds in which the Fund invests, but do not consolidate, meet the definition of structured entities because: (i) the voting rights in the underlying funds are not dominant rights in deciding who controls them; (ii) each underlying fund's activities are restricted by its prospectus; and (iii) the underlying funds have narrow and well-defined objectives to provide investment opportunities to investors.

Indexed Canadian Bond Fund (TDQC) SF079

Notes to the Financial Statements

(in Canadian \$ thousands)

4. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Emperor,
- Flex,
- Generations/Mosaic,
- Generations I,
- Generations II,
- Generations Core,
- Prestige/Prestige Plus, and
- Private Collections.

In addition to the Individual units, units are available for:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

The categories of units, and the various levels within each, are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

Indexed Canadian Bond Fund (TDQC) SF079

Notes to the Financial Statements

(in Canadian \$ thousands)

5. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

6. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

7. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

Indexed Canadian Bond Fund (TDQC) SF079

Notes to the Financial Statements

(in Canadian \$ thousands)

8. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.

Indexed Canadian Bond Fund (TDQC) SF079

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT

a) Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023. The following sections describe the significant risks that are relevant to the Fund.

To assist with managing risk, the Fund Manager maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and securities regulations. Financial statements for the underlying funds, which include discussions about their respective risk exposure, are available upon request.

b) Liquidity Risk

Liquidity risk arises when a Fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units. As the Fund primarily invests all of its net assets in the underlying funds, liquidity risk is mitigated by the underlying funds' ability to meet the obligation to fund daily cash redemptions of their redeemable units/shares. In addition, the underlying funds retain sufficient cash and cash equivalent positions to maintain adequate liquidity.

c) Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The Fund's investments in all underlying funds are denominated in Canadian dollars. However, the Fund is indirectly exposed to currency risk to the extent that the investments of the underlying funds are denominated or traded in a foreign currency.

d) Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund does not directly hold any interest-bearing financial instruments. The Fund is indirectly exposed to the risk that the value of interest-bearing financial instruments held by the underlying funds will fluctuate due to changes in the prevailing levels of market interest rates.

e) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund has no direct exposure to credit risk. The greatest indirect concentration of credit risk is in debt securities, such as bonds, held by underlying funds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer.

f) Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. For the instruments held by the Fund, maximum risk of loss is equivalent to their fair value. The Fund Manager moderates this risk through a careful selection of underlying funds within the parameters of the investment strategy.

g) Fair Value Classification

Investment Fund Units are recorded at fair value, which is the closing NAV per unit of the underlying fund. This valuation is considered to be a Level 1 classification.

Indexed Canadian Bond Fund (TDQC) SF079

Supplemental Information (unaudited)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾

For the years ended December 31	2023	2022	2021	2020	2019
Generations/Mosaic	2.42	2.42	2.42	2.41	2.43
Generations I	2.03	2.03	2.03	2.02	2.04
Generations II	2.09	2.09	2.09	2.08	2.10
Generations Core	1.97	1.98	1.98	1.97	1.98
75/75 guarantee policy	1.97	1.98	1.98	1.97	1.98
75/100 guarantee policy	2.03	2.03	2.04	2.03	2.04
100/100 guarantee policy	2.09	2.09	2.09	2.08	2.10
PS1 75/75 guarantee policy	1.41	1.41	1.40	1.39	1.40
PS1 75/100 guarantee policy	1.46	1.46	1.46	1.45	1.45
PS1 100/100 guarantee policy	1.57	1.57	1.57	1.56	1.57
PS 100/100 guarantee policy	—	—	—	—	1.54
PPS 100/100 guarantee policy	—	—	—	1.02	1.01

Unsubsidized Management Expense Ratio (%) ⁽²⁾

For the years ended December 31	2023	2022	2021	2020	2019
PS1 75/75 guarantee policy	1.41	1.41	1.40	1.39	1.41
PS1 75/100 guarantee policy	1.46	1.46	1.46	1.45	1.46
PS1 100/100 guarantee policy	1.57	1.57	1.57	1.56	1.58
PPS 100/100 guarantee policy	—	—	—	1.02	1.02

Portfolio Turnover Rate (%) ⁽³⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	0.32	0.98	1.13	6.69	38.47

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The Company has waived a portion of the fees for the Preferred Series 1 and Preferred Partner Series guarantee policies. There is no obligation for the Company to continue waiving these fees and it may cease to do so at any time without notice.

(3) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
CANADIAN EQUITY FUND (AGF) SF101

December 31, 2023

Independent Auditor's Report

To the Contractholders of Canadian Equity Fund (AGF) SF101 (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

Canadian Equity Fund (AGF) SF101

(in Canadian \$ thousands)

Fund Manager: AGF Investments Inc.

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ —	\$ —
Investment income due and accrued	—	—
Due from The Canada Life Assurance Company (note 8)	—	—
Due from brokers	—	8
Due from outside parties	—	—
Investments		
Investment fund units (note 3)	4,304	4,382
Total investments	4,304	4,382
Total assets	\$ 4,304	\$ 4,390
Liabilities		
Overdrafts	\$ 2	\$ 10
Due to The Canada Life Assurance Company (note 8)	2	1
Due to brokers	—	—
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	4	11
Net assets attributable to contractholders	\$ 4,300	\$ 4,379

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 516	\$ (492)
Miscellaneous income (loss)	—	—
Total income (loss)	516	(492)
Expenses		
Management fees (note 8)	136	154
Other	14	16
Total expenses	150	170
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 366	\$ (662)

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year		
	\$ 4,379	\$ 5,533
Contractholder deposits	74	119
Contractholder withdrawals	(519)	(611)
Increase (decrease) in net assets from operations attributable to contractholders	366	(662)
Change in net assets attributable to contractholders	(79)	(1,154)
Net assets attributable to contractholders - end of year	\$ 4,300	\$ 4,379

Canadian Equity Fund (AGF) SF101

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 366	\$ (662)
Adjustments		
Realized (gains) losses	(230)	(272)
Unrealized (gains) losses	(21)	764
Gross proceeds of disposition of investments	690	780
Gross payments for the purchase of investments	(96)	(116)
Distribution income of underlying mutual fund	(265)	—
Change in due from/to The Canada Life Assurance Company	1	(4)
Change in due from/to brokers	8	2
	<u>453</u>	<u>492</u>
Financing Activities		
Contractholder deposits	74	119
Contractholder withdrawals	(519)	(611)
	<u>(445)</u>	<u>(492)</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	8	—
Cash, short-term deposits and overdrafts, beginning of year	<u>(10)</u>	<u>(10)</u>
Cash, short-term deposits and overdrafts, end of year	<u>\$ (2)</u>	<u>\$ (10)</u>

Canadian Equity Fund (AGF) SF101

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units)

As at December 31, 2023

	<u>No. of Units</u>	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units			
AGF Canadian Growth Equity Class Series O	41,281	2,924	4,304
Total Investments		2,924	4,304

Top 25 Holdings

Security Description	% of Total
Royal Bank of Canada	7.23%
The Toronto-Dominion Bank	5.66%
Bank of Montreal	4.93%
Cash and short-term deposits	4.46%
Constellation Software Inc.	3.40%
Brookfield Asset Management Inc. Class A	3.38%
Brookfield Corp.	3.28%
Canadian Natural Resources Ltd.	3.22%
Canadian Pacific Kansas City Ltd.	3.09%
Tourmaline Oil Corp.	3.05%
Shopify Inc.	2.93%
Agnico Eagle Mines Ltd.	2.89%
Alimentation Couche-Tard Inc.	2.78%
Sun Life Financial Inc.	2.78%
WSP Global Inc.	2.31%
Wheaton Precious Metals Corp.	2.18%
Canadian National Railway Co.	2.03%
FirstService Corp.	2.02%
Enbridge Inc.	1.97%
Air Canada variable voting	1.96%
Kinross Gold Corp.	1.87%
Methanex Corp.	1.71%
TMX Group Ltd.	1.66%
Teck Resources Ltd. Class B	1.65%
Boyd Group Services Inc.	1.60%

Canadian Equity Fund (AGF) SF101

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Net Assets Attributable to Contractholders by Category

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
Generations/Mosaic	141,794	154,846	170,744	191,926	230,290	3,174	3,196	4,035	3,954	4,904
Generations I	13,943	15,349	16,193	21,893	23,750	142	143	173	203	227
Generations II	4,854	5,727	5,558	9,206	10,893	42	46	51	74	91
Generations Core	8,390	9,083	10,352	11,203	16,127	81	80	104	97	144
75/75 guarantee policy	12,564	12,583	15,610	17,276	20,091	165	152	214	205	245
75/100 guarantee policy	11,498	12,229	16,061	19,502	30,114	146	143	214	226	359
100/100 guarantee policy	9,549	11,524	13,108	22,251	25,990	116	129	168	249	300
PS1 75/75 guarantee policy	3,799	4,142	3,044	4,474	2,868	52	52	43	54	36
PS1 75/100 guarantee policy	21,784	24,998	27,059	24,298	25,282	290	304	373	290	309
PS1 100/100 guarantee policy	596	596	1,059	7,576	10,977	8	7	14	88	131
PS2 75/75 guarantee policy	—	3,147	3,218	3,294	6,155	—	51	58	50	93
PS2 75/100 guarantee policy	4,401	4,500	4,598	4,702	4,817	81	73	83	71	73
PS2 100/100 guarantee policy	188	193	198	203	209	3	3	3	3	3

Net Assets Attributable to Contractholders Per Unit (note 7)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
Generations/Mosaic	22.39	20.64	23.63	20.60	21.30	1.75	(2.99)
Generations I	10.16	9.34	10.67	9.28	9.56	0.82	(1.33)
Generations II	8.77	8.09	9.26	8.08	8.36	0.68	(1.17)
Generations Core	9.61	8.80	10.01	8.67	8.90	0.81	(1.21)
75/75 guarantee policy	13.15	12.05	13.70	11.87	12.19	1.10	(1.65)
75/100 guarantee policy	12.68	11.65	13.31	11.57	11.93	1.03	(1.66)
100/100 guarantee policy	12.12	11.18	12.81	11.17	11.56	0.94	(1.63)
PS1 75/75 guarantee policy	13.67	12.46	14.11	12.16	12.43	1.21	(1.65)
PS1 75/100 guarantee policy	13.32	12.17	13.81	11.93	12.22	1.15	(1.64)
PS1 100/100 guarantee policy	12.82	11.75	13.38	11.60	11.92	1.07	(1.63)
PS2 75/75 guarantee policy	—	16.31	18.00	15.13	15.08	—	(1.69)
PS2 75/100 guarantee policy	18.35	16.31	18.01	15.13	15.08	2.04	(1.70)
PS2 100/100 guarantee policy	18.34	16.30	17.99	15.12	15.07	2.04	(1.69)

Canadian Equity Fund (AGF) SF101

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Canadian Equity Fund (AGF) SF101 (the Fund) is offered by The Canada Life Assurance Company (Canada Life or the Company).

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

Canadian Equity Fund (AGF) SF101

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

Canadian Equity Fund (AGF) SF101

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in note 9 on Financial Instrument Risk Management.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

Canadian Equity Fund (AGF) SF101

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Investment Fund Units

Investment fund units are recorded at fair value, which is the closing net asset value (NAV) per unit of the underlying fund.

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Canadian Equity Fund (AGF) SF101

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

Canadian Equity Fund (AGF) SF101

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

k) Income Allocation

Net gain (loss) on investments, which includes realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the NAV per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

3. INVESTMENT FUND UNITS

Investment fund units of the Fund invest solely in underlying mutual funds.

As the Fund's assets are invested in underlying investment funds, the Fund indirectly pays management fees and operating expenses of the underlying funds. All such charges are included in the management expense ratio of the segregated funds.

Distributions of income from the underlying investment funds are shown as net gain (loss) on investments on the Statement of Comprehensive Income.

Investment activity of the underlying fund indirectly exposes the Fund to financial risk. See note 9 on Financial Instrument Risk Management.

Investments in unconsolidated structured entities

The Company has determined that the Fund meets the definition of an investment entity and as such, accounts for its holdings in unlisted open-ended investment funds at FVTPL. The Company has concluded that the underlying funds in which the Fund invests, but do not consolidate, meet the definition of structured entities because: (i) the voting rights in the underlying funds are not dominant rights in deciding who controls them; (ii) each underlying fund's activities are restricted by its prospectus; and (iii) the underlying funds have narrow and well-defined objectives to provide investment opportunities to investors.

Canadian Equity Fund (AGF) SF101

Notes to the Financial Statements

(in Canadian \$ thousands)

4. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Emperor,
- Flex,
- Generations/Mosaic,
- Generations I,
- Generations II,
- Generations Core,
- Prestige/Prestige Plus, and
- Private Collections.

In addition to the Individual units, units are available for:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

The categories of units, and the various levels within each, are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

Canadian Equity Fund (AGF) SF101

Notes to the Financial Statements

(in Canadian \$ thousands)

5. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

6. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

7. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

Canadian Equity Fund (AGF) SF101

Notes to the Financial Statements

(in Canadian \$ thousands)

8. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.

Canadian Equity Fund (AGF) SF101

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT

a) Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023. The following sections describe the significant risks that are relevant to the Fund.

To assist with managing risk, the Fund Manager maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and securities regulations. Financial statements for the underlying funds, which include discussions about their respective risk exposure, are available upon request.

b) Liquidity Risk

Liquidity risk arises when a Fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units. As the Fund primarily invests all of its net assets in the underlying funds, liquidity risk is mitigated by the underlying funds' ability to meet the obligation to fund daily cash redemptions of their redeemable units/shares. In addition, the underlying funds retain sufficient cash and cash equivalent positions to maintain adequate liquidity.

c) Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The Fund's investments in all underlying funds are denominated in Canadian dollars. However, the Fund is indirectly exposed to currency risk to the extent that the investments of the underlying funds are denominated or traded in a foreign currency.

d) Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund does not directly hold any interest-bearing financial instruments. The Fund is indirectly exposed to the risk that the value of interest-bearing financial instruments held by the underlying funds will fluctuate due to changes in the prevailing levels of market interest rates.

e) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund has no direct exposure to credit risk. The greatest indirect concentration of credit risk is in debt securities, such as bonds, held by underlying funds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer.

f) Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. For the instruments held by the Fund, maximum risk of loss is equivalent to their fair value. The Fund Manager moderates this risk through a careful selection of underlying funds within the parameters of the investment strategy.

g) Fair Value Classification

Investment Fund Units are recorded at fair value, which is the closing NAV per unit of the underlying fund. This valuation is considered to be a Level 1 classification.

Canadian Equity Fund (AGF) SF101

Supplemental Information *(unaudited)*

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾

For the years ended December 31	2023	2022	2021	2020	2019
Generations/Mosaic	3.64	3.65	3.66	3.66	3.66
Generations I	3.37	3.37	3.39	3.38	3.38
Generations II	3.70	3.70	3.72	3.71	3.71
Generations Core	2.98	2.99	2.99	3.00	2.99
75/75 guarantee policy	2.98	2.99	2.99	3.00	2.99
75/100 guarantee policy	3.37	3.38	3.38	3.39	3.38
100/100 guarantee policy	3.69	3.71	3.73	3.71	3.71
PS1 75/75 guarantee policy	2.52	2.52	2.55	2.53	2.54
PS1 75/100 guarantee policy	2.74	2.75	2.75	2.76	2.76
PS1 100/100 guarantee policy	3.08	3.09	3.09	3.09	3.08

Portfolio Turnover Rate (%) ⁽²⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	2.18	2.32	0.58	1.66	5.29

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
CANADIAN EQUITY GROWTH FUND S-102MF

December 31, 2023

Independent Auditor's Report

To the Contractholders of Canadian Equity Growth Fund S-102MF (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

Canadian Equity Growth Fund S-102MF

(in Canadian \$ thousands)

Fund Manager: Canada Life Investment Management Ltd.

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ 70	\$ —
Investment income due and accrued	—	—
Due from The Canada Life Assurance Company (note 8)	10	43
Due from brokers	—	61
Due from outside parties	—	—
Investments		
Investment fund units (note 3)	131,281	101,664
Total investments	131,281	101,664
Total assets	\$ 131,361	\$ 101,768
Liabilities		
Overdrafts	\$ —	\$ 11
Due to The Canada Life Assurance Company (note 8)	—	—
Due to brokers	95	—
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	95	11
Net assets attributable to contractholders	\$ 131,266	\$ 101,757

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 13,215	\$ (9,294)
Miscellaneous income (loss)	—	—
Total income (loss)	13,215	(9,294)
Expenses		
Management fees (note 8)	2,675	2,298
Other	303	260
Total expenses	2,978	2,558
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 10,237	\$ (11,852)

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year		
	\$ 101,757	\$ 107,173
Contractholder deposits	31,846	16,318
Contractholder withdrawals	(12,574)	(9,882)
Increase (decrease) in net assets from operations attributable to contractholders	10,237	(11,852)
Change in net assets attributable to contractholders	29,509	(5,416)
Net assets attributable to contractholders - end of year	\$ 131,266	\$ 101,757

Canadian Equity Growth Fund S-102MF

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 10,237	\$ (11,852)
Adjustments		
Realized (gains) losses	(486)	(433)
Unrealized (gains) losses	(7,188)	15,242
Gross proceeds of disposition of investments	6,122	7,905
Gross payments for the purchase of investments	(22,524)	(11,858)
Distribution income of underlying mutual fund	(5,541)	(5,515)
Change in due from/to The Canada Life Assurance Company	33	(47)
Change in due from/to brokers	156	(140)
	<u>(19,191)</u>	<u>(6,698)</u>
Financing Activities		
Contractholder deposits	31,846	16,318
Contractholder withdrawals	(12,574)	(9,882)
	<u>19,272</u>	<u>6,436</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	81	(262)
Cash, short-term deposits and overdrafts, beginning of year	<u>(11)</u>	<u>251</u>
Cash, short-term deposits and overdrafts, end of year	<u>\$ 70</u>	<u>\$ (11)</u>

Canadian Equity Growth Fund S-102MF

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units)

As at December 31, 2023

	<u>No. of Units</u>	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units			
Canada Life Canadian Focused Growth Fund Series S *	8,630,092	121,667	131,281
Total Investments		121,667	131,281

Top 25 Holdings

Security Description	% of Total
Cash and short-term deposits	5.96%
Intact Financial Corp.	5.23%
Stantec Inc.	5.18%
CAE Inc.	5.11%
Royal Bank of Canada	4.73%
Premium Brands Holdings Corp.	4.35%
Schneider Electric SE	4.24%
Accenture PLC Class A	4.22%
Boyd Group Services Inc.	4.05%
Dollarama Inc.	3.88%
Aon Corp.	3.82%
Thomson Reuters Corp.	3.78%
Microsoft Corp.	3.38%
Waste Connections Inc.	3.15%
Becton, Dickinson and Co.	2.98%
Synopsys Inc.	2.80%
Roper Technologies Inc.	2.76%
Linde PLC	2.70%
PepsiCo Inc.	2.52%
Nutrien Ltd.	2.50%
S&P Global Inc.	2.40%
ON Semiconductor Corp.	2.26%
Altus Group Ltd.	2.21%
FirstService Corp.	2.14%
Pet Valu Holdings Ltd.	2.03%

*The issuer of this security is a related company to the issuer of the Fund.

Canadian Equity Growth Fund S-102MF

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Net Assets Attributable to Contractholders by Category

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
Generations/Mosaic	133,762	124,577	140,888	157,593	179,098	3,851	3,303	4,230	3,906	4,057
Generations I	31,615	28,712	47,075	51,996	37,255	649	540	998	906	590
Generations II	10,535	13,303	14,346	16,327	14,991	186	216	263	247	207
Generations Core	15,079	18,555	19,156	20,190	20,144	285	321	373	322	292
75/75 guarantee policy	811,310	737,269	692,665	398,839	148,122	18,978	15,789	16,692	7,886	2,661
75/100 guarantee policy	1,605,809	1,297,982	1,219,735	826,610	284,254	36,793	27,257	28,854	16,062	5,024
100/100 guarantee policy	108,571	104,794	116,908	93,931	76,440	2,384	2,118	2,672	1,771	1,316
PS1 75/75 guarantee policy	726,511	554,635	450,941	226,765	89,067	17,398	12,104	11,022	4,527	1,607
PS1 75/100 guarantee policy	1,429,192	1,211,177	1,182,971	724,630	200,345	33,364	25,823	28,313	14,196	3,556
PS1 100/100 guarantee policy	52,892	31,121	36,136	25,145	41,519	1,188	640	838	478	718
PS2 75/75 guarantee policy	94,896	92,799	90,590	60,864	31,161	3,020	2,625	2,800	1,499	677
PS2 75/100 guarantee policy	124,507	125,550	111,774	105,746	59,069	3,964	3,553	3,456	2,605	1,284
PS2 100/100 guarantee policy	13,931	9,275	9,539	9,812	10,102	443	262	295	242	220
PS 75/75 guarantee policy	67,702	63,832	45,104	24,179	3,920	1,003	856	673	293	43
PS 75/100 guarantee policy	121,169	83,496	61,262	24,436	4,256	1,784	1,114	911	295	46
PS 100/100 guarantee policy	11,174	11,284	11,395	17,609	—	161	148	167	210	—
PPS 75/75 guarantee policy	175,901	169,991	110,295	61,634	5,557	2,675	2,330	1,674	756	61
PPS 75/100 guarantee policy	196,095	169,192	125,528	22,293	8,197	2,946	2,296	1,891	272	90
PPS 100/100 guarantee policy	13,140	34,540	70,584	296	—	194	462	1,051	3	—

Net Assets Attributable to Contractholders Per Unit (note 7)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
Generations/Mosaic	28.79	26.52	30.02	24.78	22.65	2.27	(3.50)
Generations I	20.54	18.82	21.21	17.42	15.84	1.72	(2.39)
Generations II	17.62	16.21	18.34	15.13	13.81	1.41	(2.13)
Generations Core	18.88	17.28	19.44	15.95	14.49	1.60	(2.16)
75/75 guarantee policy	23.39	21.42	24.10	19.77	17.96	1.97	(2.68)
75/100 guarantee policy	22.91	21.00	23.66	19.43	17.67	1.91	(2.66)
100/100 guarantee policy	21.96	20.21	22.86	18.85	17.22	1.75	(2.65)
PS1 75/75 guarantee policy	23.95	21.82	24.44	19.96	18.05	2.13	(2.62)
PS1 75/100 guarantee policy	23.34	21.32	23.93	19.59	17.75	2.02	(2.61)
PS1 100/100 guarantee policy	22.45	20.58	23.18	19.03	17.30	1.87	(2.60)
PS2 75/75 guarantee policy	31.82	28.29	30.91	24.62	21.73	3.53	(2.62)
PS2 75/100 guarantee policy	31.83	28.30	30.92	24.63	21.74	3.53	(2.62)
PS2 100/100 guarantee policy	31.82	28.29	30.91	24.62	21.73	3.53	(2.62)
PS 75/75 guarantee policy	14.82	13.41	14.93	12.11	10.88	1.41	(1.52)
PS 75/100 guarantee policy	14.73	13.35	14.87	12.08	10.87	1.38	(1.52)
PS 100/100 guarantee policy	14.40	13.10	14.66	11.96	—	1.30	(1.56)
PPS 75/75 guarantee policy	15.21	13.71	15.18	12.26	10.96	1.50	(1.47)
PPS 75/100 guarantee policy	15.02	13.57	15.06	12.19	10.93	1.45	(1.49)
PPS 100/100 guarantee policy	14.75	13.37	14.89	12.10	—	1.38	(1.52)

Canadian Equity Growth Fund S-102MF

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Canadian Equity Growth Fund S-102MF (the Fund) is offered by The Canada Life Assurance Company (Canada Life or the Company).

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

Canadian Equity Growth Fund S-102MF

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

Canadian Equity Growth Fund S-102MF

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in note 9 on Financial Instrument Risk Management.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

Canadian Equity Growth Fund S-102MF

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Investment Fund Units

Investment fund units are recorded at fair value, which is the closing net asset value (NAV) per unit of the underlying fund.

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Canadian Equity Growth Fund S-102MF

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

Canadian Equity Growth Fund S-102MF

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

k) **Income Allocation**

Net gain (loss) on investments, which includes realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the NAV per unit.

l) **Issue and Redemption of Units**

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

3. INVESTMENT FUND UNITS

Investment fund units of the Fund invest solely in underlying mutual funds.

As the Fund's assets are invested in underlying investment funds, the Fund indirectly pays management fees and operating expenses of the underlying funds. All such charges are included in the management expense ratio of the segregated funds.

Distributions of income from the underlying investment funds are shown as net gain (loss) on investments on the Statement of Comprehensive Income.

Investment activity of the underlying fund indirectly exposes the Fund to financial risk. See note 9 on Financial Instrument Risk Management.

Investments in unconsolidated structured entities

The Company has determined that the Fund meets the definition of an investment entity and as such, accounts for its holdings in unlisted open-ended investment funds at FVTPL. The Company has concluded that the underlying funds in which the Fund invests, but do not consolidate, meet the definition of structured entities because: (i) the voting rights in the underlying funds are not dominant rights in deciding who controls them; (ii) each underlying fund's activities are restricted by its prospectus; and (iii) the underlying funds have narrow and well-defined objectives to provide investment opportunities to investors.

Canadian Equity Growth Fund S-102MF

Notes to the Financial Statements

(in Canadian \$ thousands)

4. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Emperor,
- Flex,
- Generations/Mosaic,
- Generations I,
- Generations II,
- Generations Core,
- Prestige/Prestige Plus, and
- Private Collections.

In addition to the Individual units, units are available for:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

The categories of units, and the various levels within each, are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

Canadian Equity Growth Fund S-102MF

Notes to the Financial Statements

(in Canadian \$ thousands)

5. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

6. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

7. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

Canadian Equity Growth Fund S-102MF

Notes to the Financial Statements

(in Canadian \$ thousands)

8. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.
- c) The Fund invests in assets or underlying funds managed by Canada Life Investment Management Ltd. All investment transactions with the corresponding underlying funds are at quoted market prices.

Canadian Equity Growth Fund S-102MF

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT

a) Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023. The following sections describe the significant risks that are relevant to the Fund.

To assist with managing risk, the Fund Manager maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and securities regulations. Financial statements for the underlying funds, which include discussions about their respective risk exposure, are available upon request.

b) Liquidity Risk

Liquidity risk arises when a Fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units. As the Fund primarily invests all of its net assets in the underlying funds, liquidity risk is mitigated by the underlying funds' ability to meet the obligation to fund daily cash redemptions of their redeemable units/shares. In addition, the underlying funds retain sufficient cash and cash equivalent positions to maintain adequate liquidity.

c) Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The Fund's investments in all underlying funds are denominated in Canadian dollars. However, the Fund is indirectly exposed to currency risk to the extent that the investments of the underlying funds are denominated or traded in a foreign currency.

d) Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund does not directly hold any interest-bearing financial instruments. The Fund is indirectly exposed to the risk that the value of interest-bearing financial instruments held by the underlying funds will fluctuate due to changes in the prevailing levels of market interest rates.

e) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund has no direct exposure to credit risk. The greatest indirect concentration of credit risk is in debt securities, such as bonds, held by underlying funds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer.

f) Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. For the instruments held by the Fund, maximum risk of loss is equivalent to their fair value. The Fund Manager moderates this risk through a careful selection of underlying funds within the parameters of the investment strategy.

g) Fair Value Classification

Investment Fund Units are recorded at fair value, which is the closing NAV per unit of the underlying fund. This valuation is considered to be a Level 1 classification.

Canadian Equity Growth Fund S-102MF

Supplemental Information (unaudited)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾

For the years ended December 31	2023	2022	2021	2020	2019
Generations/Mosaic	3.55	3.56	3.55	3.52	3.54
Generations I	3.05	3.08	3.05	3.02	3.04
Generations II	3.47	3.47	3.47	3.43	3.45
Generations Core	2.94	2.95	2.94	2.91	2.93
75/75 guarantee policy	2.94	2.95	2.93	2.90	2.92
75/100 guarantee policy	3.05	3.06	3.04	3.01	3.03
100/100 guarantee policy	3.47	3.47	3.46	3.43	3.45
PS1 75/75 guarantee policy	2.48	2.48	2.47	2.42	2.43
PS1 75/100 guarantee policy	2.70	2.71	2.69	2.63	2.65
PS1 100/100 guarantee policy	3.04	3.05	3.03	2.98	3.00
PS 75/75 guarantee policy	1.83	1.83	1.82	1.80	1.80
PS 75/100 guarantee policy	1.94	1.94	1.93	1.91	1.93
PS 100/100 guarantee policy	2.36	2.36	2.35	2.33	—
PPS 75/75 guarantee policy	1.37	1.37	1.36	1.31	1.32
PPS 75/100 guarantee policy	1.59	1.59	1.58	1.54	1.54
PPS 100/100 guarantee policy	1.93	1.94	1.93	1.86	—

Unsubsidized Management Expense Ratio (%) ⁽²⁾

For the years ended December 31	2023	2022	2021	2020	2019
PS1 75/75 guarantee policy	2.48	2.48	2.47	2.45	2.46
PS1 75/100 guarantee policy	2.70	2.71	2.69	2.66	2.68
PS1 100/100 guarantee policy	3.04	3.05	3.03	3.01	3.03
PPS 75/75 guarantee policy	1.37	1.37	1.36	1.34	1.35
PPS 75/100 guarantee policy	1.59	1.59	1.58	1.57	1.57
PPS 100/100 guarantee policy	1.93	1.94	1.93	1.89	—

Portfolio Turnover Rate (%) ⁽³⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	5.32	7.88	82.72	9.43	14.31

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The Company has waived a portion of the fees for the Preferred Series 1 and Preferred Partner Series guarantee policies. There is no obligation for the Company to continue waiving these fees and it may cease to do so at any time without notice.

(3) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
CANADIAN EQUITY FUND (BISSETT) SF103

December 31, 2023

Independent Auditor's Report

To the Contractholders of Canadian Equity Fund (Bissett) SF103 (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

Canadian Equity Fund (Bissett) SF103

(in Canadian \$ thousands)

Fund Manager: Franklin Templeton Investments Corp.

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ —	\$ 433
Investment income due and accrued	—	—
Due from The Canada Life Assurance Company (note 8)	—	—
Due from brokers	7	24
Due from outside parties	—	—
Investments		
Investment fund units (note 3)	31,172	33,324
Total investments	31,172	33,324
Total assets	\$ 31,179	\$ 33,781
Liabilities		
Overdrafts	\$ 23	\$ —
Due to The Canada Life Assurance Company (note 8)	71	11
Due to brokers	—	—
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	94	11
Net assets attributable to contractholders	\$ 31,085	\$ 33,770

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 3,075	\$ 1,214
Miscellaneous income (loss)	—	—
Total income (loss)	3,075	1,214
Expenses		
Management fees (note 8)	717	812
Other	77	88
Total expenses	794	900
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 2,281	\$ 314

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year	\$ 33,770	\$ 38,772
Contractholder deposits	209	929
Contractholder withdrawals	(5,175)	(6,245)
Increase (decrease) in net assets from operations attributable to contractholders	2,281	314
Change in net assets attributable to contractholders	(2,685)	(5,002)
Net assets attributable to contractholders - end of year	\$ 31,085	\$ 33,770

Canadian Equity Fund (Bissett) SF103

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 2,281	\$ 314
Adjustments		
Realized (gains) losses	(1,912)	(2,556)
Unrealized (gains) losses	568	3,307
Gross proceeds of disposition of investments	5,708	6,771
Gross payments for the purchase of investments	(481)	(77)
Distribution income of underlying mutual fund	(1,731)	(1,965)
Change in due from/to The Canada Life Assurance Company	60	(12)
Change in due from/to brokers	17	68
	<u>4,510</u>	<u>5,850</u>
Financing Activities		
Contractholder deposits	209	929
Contractholder withdrawals	(5,175)	(6,245)
	<u>(4,966)</u>	<u>(5,316)</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	(456)	534
Cash, short-term deposits and overdrafts, beginning of year	433	(101)
Cash, short-term deposits and overdrafts, end of year	\$ (23)	\$ 433

Canadian Equity Fund (Bissett) SF103

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units)

As at December 31, 2023

	<u>No. of Units</u>	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units			
Franklin Bissett Canadian Equity Fund Series O	156,183	21,338	31,172
Total Investments		21,338	31,172

Top 25 Holdings

Security Description	% of Total
The Toronto-Dominion Bank	5.48%
Royal Bank of Canada	5.21%
Alimentation Couche-Tard Inc.	4.36%
Canadian Pacific Kansas City Ltd.	4.25%
Canadian National Railway Co.	4.11%
Agnico Eagle Mines Ltd.	3.92%
Fortis Inc.	3.52%
The Bank of Nova Scotia	3.42%
Open Text Corp.	3.41%
Waste Connections Inc.	3.20%
TELUS Corp.	3.12%
Enbridge Inc.	3.08%
Brookfield Corp.	2.91%
CGI Group Inc. Class A sub. voting	2.81%
Bank of Montreal	2.70%
Loblaw Companies Ltd.	2.62%
Metro Inc.	2.59%
BCE Inc.	2.43%
ATCO Ltd. Class I non-voting	2.42%
Dollarama Inc.	2.20%
Hydro One Ltd.	2.01%
Saputo Inc.	1.86%
ARC Resources Ltd.	1.78%
Canadian Natural Resources Ltd.	1.74%
SNC-Lavalin Group Inc.	1.69%

Canadian Equity Fund (Bissett) SF103

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance. Portfolio units are allocated to each category as described in note 4 and are not included on this page.

Net Assets Attributable to Contractholders by Category

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
Generations/Mosaic	134,198	162,358	180,515	212,960	260,965	5,422	6,167	6,889	6,502	8,296
Generations I	66,111	78,989	86,417	104,877	126,245	1,566	1,755	1,924	1,864	2,331
Generations II	13,878	18,519	18,873	19,924	23,520	286	359	368	311	382
Generations Core	16,877	18,992	23,285	31,217	46,817	375	394	483	515	800
75/75 guarantee policy	112,723	116,685	118,865	133,393	164,773	2,877	2,784	2,833	2,530	3,236
75/100 guarantee policy	209,226	253,305	293,577	358,963	454,891	5,171	5,872	6,820	6,656	8,761
100/100 guarantee policy	160,207	176,679	193,761	223,711	267,891	3,813	3,956	4,362	4,032	5,031
PS1 75/75 guarantee policy	30,638	34,172	38,032	45,713	61,742	722	750	830	791	1,102
PS1 75/100 guarantee policy	86,857	100,170	105,090	110,731	161,576	1,997	2,149	2,248	1,882	2,838
PS1 100/100 guarantee policy	93,768	117,039	148,318	151,242	147,504	2,073	2,422	3,072	2,496	2,524
PS2 75/75 guarantee policy	9,298	17,968	21,662	23,882	53,052	290	510	597	509	1,139
PS2 75/100 guarantee policy	30,858	32,667	35,087	37,504	50,566	965	928	968	800	1,086
PS2 100/100 guarantee policy	12,963	14,014	16,484	16,284	16,919	405	398	455	348	364
PS 75/100 guarantee policy	—	—	—	—	780	—	—	—	—	8
PPS 75/100 guarantee policy	—	—	641	647	4,117	—	—	9	7	44

Net Assets Attributable to Contractholders Per Unit (note 7)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
Generations/Mosaic	40.40	37.98	38.16	30.53	31.79	2.42	(0.18)
Generations I	23.69	22.22	22.27	17.77	18.46	1.47	(0.05)
Generations II	20.59	19.37	19.48	15.59	16.25	1.22	(0.11)
Generations Core	22.19	20.75	20.73	16.49	17.08	1.44	0.02
75/75 guarantee policy	25.52	23.86	23.84	18.97	19.64	1.66	0.02
75/100 guarantee policy	24.72	23.18	23.23	18.54	19.26	1.54	(0.05)
100/100 guarantee policy	23.80	22.39	22.51	18.02	18.78	1.41	(0.12)
PS1 75/75 guarantee policy	23.57	21.94	21.84	17.30	17.85	1.63	0.10
PS1 75/100 guarantee policy	22.99	21.45	21.40	16.99	17.56	1.54	0.05
PS1 100/100 guarantee policy	22.10	20.70	20.71	16.50	17.11	1.40	(0.01)
PS2 75/75 guarantee policy	31.24	28.39	27.58	21.33	21.47	2.85	0.81
PS2 75/100 guarantee policy	31.27	28.41	27.60	21.34	21.48	2.86	0.81
PS2 100/100 guarantee policy	31.27	28.42	27.60	21.35	21.49	2.85	0.82
PS 75/100 guarantee policy	—	—	—	—	10.59	—	—
PPS 75/100 guarantee policy	—	—	13.29	10.44	10.67	—	—

Canadian Equity Fund (Bissett) SF103

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Canadian Equity Fund (Bissett) SF103 (the Fund) is offered by The Canada Life Assurance Company (Canada Life or the Company).

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

Canadian Equity Fund (Bissett) SF103

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

Canadian Equity Fund (Bissett) SF103

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used. Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in note 9 on Financial Instrument Risk Management.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

Canadian Equity Fund (Bissett) SF103

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Investment Fund Units

Investment fund units are recorded at fair value, which is the closing net asset value (NAV) per unit of the underlying fund.

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Canadian Equity Fund (Bissett) SF103

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

Canadian Equity Fund (Bissett) SF103

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

k) Income Allocation

Net gain (loss) on investments, which includes realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the NAV per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

3. INVESTMENT FUND UNITS

Investment fund units of the Fund invest solely in underlying mutual funds.

As the Fund's assets are invested in underlying investment funds, the Fund indirectly pays management fees and operating expenses of the underlying funds. All such charges are included in the management expense ratio of the segregated funds.

Distributions of income from the underlying investment funds are shown as net gain (loss) on investments on the Statement of Comprehensive Income.

Investment activity of the underlying fund indirectly exposes the Fund to financial risk. See note 9 on Financial Instrument Risk Management.

Investments in unconsolidated structured entities

The Company has determined that the Fund meets the definition of an investment entity and as such, accounts for its holdings in unlisted open-ended investment funds at FVTPL. The Company has concluded that the underlying funds in which the Fund invests, but do not consolidate, meet the definition of structured entities because: (i) the voting rights in the underlying funds are not dominant rights in deciding who controls them; (ii) each underlying fund's activities are restricted by its prospectus; and (iii) the underlying funds have narrow and well-defined objectives to provide investment opportunities to investors.

Canadian Equity Fund (Bissett) SF103

Notes to the Financial Statements

(in Canadian \$ thousands)

4. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Emperor,
- Flex,
- Generations/Mosaic,
- Generations I,
- Generations II,
- Generations Core,
- Prestige/Prestige Plus, and
- Private Collections.

In addition to the Individual units, units are available for:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

Portfolio units are those units owned by the Asset Allocation Funds. Each Portfolio fund is represented by a separate category.

The categories of units, and the various levels within each, are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

Canadian Equity Fund (Bissett) SF103

Notes to the Financial Statements

(in Canadian \$ thousands)

5. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

6. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

7. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

Canadian Equity Fund (Bissett) SF103

Notes to the Financial Statements

(in Canadian \$ thousands)

8. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.

Canadian Equity Fund (Bissett) SF103

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT

a) Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023. The following sections describe the significant risks that are relevant to the Fund.

To assist with managing risk, the Fund Manager maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and securities regulations. Financial statements for the underlying funds, which include discussions about their respective risk exposure, are available upon request.

b) Liquidity Risk

Liquidity risk arises when a Fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units. As the Fund primarily invests all of its net assets in the underlying funds, liquidity risk is mitigated by the underlying funds' ability to meet the obligation to fund daily cash redemptions of their redeemable units/shares. In addition, the underlying funds retain sufficient cash and cash equivalent positions to maintain adequate liquidity.

c) Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The Fund's investments in all underlying funds are denominated in Canadian dollars. However, the Fund is indirectly exposed to currency risk to the extent that the investments of the underlying funds are denominated or traded in a foreign currency.

d) Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund does not directly hold any interest-bearing financial instruments. The Fund is indirectly exposed to the risk that the value of interest-bearing financial instruments held by the underlying funds will fluctuate due to changes in the prevailing levels of market interest rates.

e) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund has no direct exposure to credit risk. The greatest indirect concentration of credit risk is in debt securities, such as bonds, held by underlying funds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer.

f) Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. For the instruments held by the Fund, maximum risk of loss is equivalent to their fair value. The Fund Manager moderates this risk through a careful selection of underlying funds within the parameters of the investment strategy.

g) Fair Value Classification

Investment Fund Units are recorded at fair value, which is the closing NAV per unit of the underlying fund. This valuation is considered to be a Level 1 classification.

Canadian Equity Fund (Bissett) SF103

Supplemental Information *(unaudited)*

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾

For the years ended December 31	2023	2022	2021	2020	2019
Generations/Mosaic	3.38	3.39	3.39	3.39	3.38
Generations I	3.14	3.15	3.15	3.14	3.14
Generations II	3.45	3.45	3.45	3.45	3.45
Generations Core	2.83	2.84	2.84	2.84	2.83
75/75 guarantee policy	2.83	2.84	2.84	2.83	2.83
75/100 guarantee policy	3.14	3.15	3.15	3.14	3.14
100/100 guarantee policy	3.45	3.46	3.46	3.45	3.45
PS1 75/75 guarantee policy	2.43	2.43	2.43	2.43	2.43
PS1 75/100 guarantee policy	2.65	2.65	2.65	2.65	2.65
PS1 100/100 guarantee policy	2.98	2.99	2.98	2.98	2.98
PS 75/100 guarantee policy	—	—	—	—	2.03
PPS 75/100 guarantee policy	—	—	1.54	1.55	1.52

Portfolio Turnover Rate (%) ⁽²⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	0.08	0.21	2.21	16.25	4.83

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
BALANCED FUND (BISSETT) SF104

December 31, 2023

Independent Auditor's Report

To the Contractholders of Balanced Fund (Bissett) SF104 (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

Balanced Fund (Bissett) SF104

(in Canadian \$ thousands)

Fund Manager: Canada Life Investment Management Ltd.

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ —	\$ —
Investment income due and accrued	—	—
Due from The Canada Life Assurance Company (note 8)	—	36
Due from brokers	—	—
Due from outside parties	—	—
Investments		
Investment fund units (note 3)	121,226	118,451
Total investments	121,226	118,451
Total assets	\$ 121,226	\$ 118,487
Liabilities		
Overdrafts	\$ 22	\$ 8
Due to The Canada Life Assurance Company (note 8)	28	—
Due to brokers	59	46
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	109	54
Net assets attributable to contractholders	\$ 121,117	\$ 118,433

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 14,714	\$ (15,538)
Miscellaneous income (loss)	—	—
Total income (loss)	14,714	(15,538)
Expenses		
Management fees (note 8)	2,888	3,211
Other	282	305
Total expenses	3,170	3,516
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 11,544	\$ (19,054)

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year		
	\$ 118,433	\$ 148,594
Contractholder deposits	6,658	5,963
Contractholder withdrawals	(15,518)	(17,070)
Increase (decrease) in net assets from operations attributable to contractholders	11,544	(19,054)
Change in net assets attributable to contractholders	2,684	(30,161)
Net assets attributable to contractholders - end of year	\$ 121,117	\$ 118,433

Balanced Fund (Bissett) SF104

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 11,544	\$ (19,054)
Adjustments		
Realized (gains) losses	1,159	2,590
Unrealized (gains) losses	(12,774)	15,470
Gross proceeds of disposition of investments	16,327	22,062
Gross payments for the purchase of investments	(4,388)	(7,468)
Distribution income of underlying mutual fund	(3,099)	(2,522)
Change in due from/to The Canada Life Assurance Company	64	(53)
Change in due from/to brokers	13	46
	<u>8,846</u>	<u>11,071</u>
Financing Activities		
Contractholder deposits	6,658	5,963
Contractholder withdrawals	(15,518)	(17,070)
	<u>(8,860)</u>	<u>(11,107)</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	(14)	(36)
Cash, short-term deposits and overdrafts, beginning of year	(8)	28
Cash, short-term deposits and overdrafts, end of year	\$ (22)	\$ (8)

Balanced Fund (Bissett) SF104

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units)

As at December 31, 2023

	No. of Units	Average Cost	Fair Value
Investment Fund Units			
Canada Life Sustainable Balanced Portfolio Fund Series S *	12,333,713	124,157	121,226
Total Investments		124,157	121,226

Top Holdings

Underlying fund: Canada Life ESG U.S. Equity Fund

Security Description	% of Total
Microsoft Corp.	7.33%
Apple Inc.	6.98%
Amazon.com Inc.	3.82%
NVIDIA Corp.	3.26%
Alphabet Inc. Class A	2.09%

Underlying fund: Canada Life International Equity Fund

Security Description	% of Total
ASML Holding NV	3.27%
Shell PLC	3.01%
Nestle SA	2.83%
BHP Group Ltd.	2.53%
Shin-Etsu Chemical Co. Ltd.	2.32%

Underlying fund: Canada Life Sustainable Emerging Markets Equity Fund

Security Description	% of Total
Taiwan Semiconductor Manufacturing Co. Ltd. ADR	8.93%
Tencent Holdings Ltd.	5.31%
HDFC Bank Ltd. ADR	2.90%
PT Bank Central Asia TBK	2.86%
FirstRand Ltd.	2.77%

*The issuer of this security is a related company to the issuer of the Fund.

Balanced Fund (Bissett) SF104

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units)

As at December 31, 2023

	<u>No. of Units</u>	<u>Average Cost</u>	<u>Fair Value</u>
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Top Holdings (continued)

Underlying fund: Canada Life Sustainable Global Bond Fund

Security Description	% of Total
Government of Italy 4.00% 11-15-2030	4.93%
Government of Italy 3.40% 04-01-2028	3.72%
Government of United Kingdom 3.25% 01-31-2033	3.72%
United States Treasury 4.50% 11-15-2033	3.58%
European Union 1.00% 07-06-2032	3.16%

Balanced Fund (Bissett) SF104

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Net Assets Attributable to Contractholders by Category

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
Generations/Mosaic	582,052	712,623	761,999	854,803	998,788	12,670	14,121	17,375	17,698	20,574
Generations I	692,107	830,473	1,190,349	1,607,654	1,941,900	11,103	12,108	19,938	24,410	29,288
Generations II	116,214	165,111	179,828	230,875	266,225	1,743	2,257	2,831	3,302	3,787
Generations Core	154,611	166,180	186,923	208,434	251,192	2,450	2,387	3,076	3,096	3,690
75/75 guarantee policy	685,454	711,058	679,832	771,859	881,652	11,836	11,129	12,190	12,494	14,114
75/100 guarantee policy	3,274,382	3,548,445	4,117,708	4,900,970	5,931,303	55,065	54,234	72,302	78,009	93,777
100/100 guarantee policy	343,819	386,301	427,187	507,685	596,967	5,626	5,761	7,339	7,921	9,266
PS1 75/75 guarantee policy	114,358	132,042	89,640	90,978	122,354	1,858	1,941	1,507	1,377	1,826
PS1 75/100 guarantee policy	638,739	575,062	445,367	532,995	693,656	10,204	8,320	7,377	7,960	10,232
PS1 100/100 guarantee policy	168,473	114,796	119,354	109,159	111,754	2,624	1,622	1,934	1,598	1,620
PS2 75/75 guarantee policy	38,187	24,555	27,380	38,193	46,362	821	467	581	712	832
PS2 75/100 guarantee policy	88,187	99,342	68,727	70,537	126,794	1,898	1,888	1,459	1,316	2,277
PS2 100/100 guarantee policy	393	1,406	2,219	6,504	7,689	8	27	47	121	138
PS 75/75 guarantee policy	336	98	—	—	—	4	1	—	—	—
PS 75/100 guarantee policy	43,755	52,045	46,565	43,507	49,663	494	528	537	450	505
PPS 75/75 guarantee policy	73,658	33,110	—	—	—	858	345	—	—	—
PPS 75/100 guarantee policy	160,526	125,229	8,571	—	—	1,855	1,297	101	—	—

Net Assets Attributable to Contractholders Per Unit (note 7)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
Generations/Mosaic	21.77	19.82	22.80	20.70	20.60	1.95	(2.98)
Generations I	16.04	14.58	16.75	15.18	15.08	1.46	(2.17)
Generations II	15.00	13.67	15.74	14.30	14.23	1.33	(2.07)
Generations Core	15.85	14.36	16.46	14.85	14.69	1.49	(2.10)
75/75 guarantee policy	17.27	15.65	17.93	16.19	16.01	1.62	(2.28)
75/100 guarantee policy	16.82	15.28	17.56	15.92	15.81	1.54	(2.28)
100/100 guarantee policy	16.36	14.91	17.18	15.60	15.52	1.45	(2.27)
PS1 75/75 guarantee policy	16.25	14.70	16.81	15.13	14.92	1.55	(2.11)
PS1 75/100 guarantee policy	15.97	14.47	16.56	14.94	14.75	1.50	(2.09)
PS1 100/100 guarantee policy	15.57	14.13	16.20	14.64	14.49	1.44	(2.07)
PS2 75/75 guarantee policy	21.51	19.00	21.22	18.65	17.95	2.51	(2.22)
PS2 75/100 guarantee policy	21.52	19.01	21.23	18.66	17.96	2.51	(2.22)
PS2 100/100 guarantee policy	21.52	19.01	21.23	18.66	17.96	2.51	(2.22)
PS 75/75 guarantee policy	11.51	10.32	—	—	—	1.19	(1.36)
PS 75/100 guarantee policy	11.29	10.15	11.54	10.34	10.16	1.14	(1.39)
PPS 75/75 guarantee policy	11.65	10.42	—	—	—	1.23	(1.37)
PPS 75/100 guarantee policy	11.56	10.36	11.73	—	—	1.20	(1.37)

Balanced Fund (Bissett) SF104

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Balanced Fund (Bissett) SF104 (the Fund) is offered by The Canada Life Assurance Company (Canada Life or the Company).

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

Balanced Fund (Bissett) SF104

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

Balanced Fund (Bissett) SF104

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in note 9 on Financial Instrument Risk Management.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

Balanced Fund (Bissett) SF104

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Investment Fund Units

Investment fund units are recorded at fair value, which is the closing net asset value (NAV) per unit of the underlying fund.

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Balanced Fund (Bissett) SF104

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

Balanced Fund (Bissett) SF104

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

k) Income Allocation

Net gain (loss) on investments, which includes realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the NAV per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

3. INVESTMENT FUND UNITS

Investment fund units of the Fund invest solely in underlying mutual funds.

As the Fund's assets are invested in underlying investment funds, the Fund indirectly pays management fees and operating expenses of the underlying funds. All such charges are included in the management expense ratio of the segregated funds.

Distributions of income from the underlying investment funds are shown as net gain (loss) on investments on the Statement of Comprehensive Income.

Investment activity of the underlying fund indirectly exposes the Fund to financial risk. See note 9 on Financial Instrument Risk Management.

Investments in unconsolidated structured entities

The Company has determined that the Fund meets the definition of an investment entity and as such, accounts for its holdings in unlisted open-ended investment funds at FVTPL. The Company has concluded that the underlying funds in which the Fund invests, but do not consolidate, meet the definition of structured entities because: (i) the voting rights in the underlying funds are not dominant rights in deciding who controls them; (ii) each underlying fund's activities are restricted by its prospectus; and (iii) the underlying funds have narrow and well-defined objectives to provide investment opportunities to investors.

Balanced Fund (Bissett) SF104

Notes to the Financial Statements

(in Canadian \$ thousands)

4. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Emperor,
- Flex,
- Generations/Mosaic,
- Generations I,
- Generations II,
- Generations Core,
- Prestige/Prestige Plus, and
- Private Collections.

In addition to the Individual units, units are available for:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

The categories of units, and the various levels within each, are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

Balanced Fund (Bissett) SF104

Notes to the Financial Statements

(in Canadian \$ thousands)

5. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

6. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

7. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

Balanced Fund (Bissett) SF104

Notes to the Financial Statements

(in Canadian \$ thousands)

8. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.
- c) The Fund invests in assets or underlying funds managed by Canada Life Investment Management Ltd. All investment transactions with the corresponding underlying funds are at quoted market prices.

Balanced Fund (Bissett) SF104

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT

a) Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023. The following sections describe the significant risks that are relevant to the Fund.

To assist with managing risk, the Fund Manager maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and securities regulations. Financial statements for the underlying funds, which include discussions about their respective risk exposure, are available upon request.

b) Liquidity Risk

Liquidity risk arises when a Fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units. As the Fund primarily invests all of its net assets in the underlying funds, liquidity risk is mitigated by the underlying funds' ability to meet the obligation to fund daily cash redemptions of their redeemable units/shares. In addition, the underlying funds retain sufficient cash and cash equivalent positions to maintain adequate liquidity.

c) Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The Fund's investments in all underlying funds are denominated in Canadian dollars. However, the Fund is indirectly exposed to currency risk to the extent that the investments of the underlying funds are denominated or traded in a foreign currency.

d) Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund does not directly hold any interest-bearing financial instruments. The Fund is indirectly exposed to the risk that the value of interest-bearing financial instruments held by the underlying funds will fluctuate due to changes in the prevailing levels of market interest rates.

e) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund has no direct exposure to credit risk. The greatest indirect concentration of credit risk is in debt securities, such as bonds, held by underlying funds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer.

f) Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. For the instruments held by the Fund, maximum risk of loss is equivalent to their fair value. The Fund Manager moderates this risk through a careful selection of underlying funds within the parameters of the investment strategy.

g) Fair Value Classification

Investment Fund Units are recorded at fair value, which is the closing NAV per unit of the underlying fund. This valuation is considered to be a Level 1 classification.

Balanced Fund (Bissett) SF104

Supplemental Information (unaudited)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾

For the years ended December 31	2023	2022	2021	2020	2019
Generations/Mosaic	3.01	3.01	3.26	3.30	3.30
Generations I	2.85	2.85	3.10	3.14	3.14
Generations II	3.12	3.12	3.28	3.30	3.30
Generations Core	2.58	2.57	2.68	2.70	2.70
75/75 guarantee policy	2.57	2.57	2.68	2.70	2.70
75/100 guarantee policy	2.85	2.84	3.10	3.14	3.14
100/100 guarantee policy	3.12	3.12	3.28	3.30	3.30
PS1 75/75 guarantee policy	2.39	2.38	2.40	2.41	2.41
PS1 75/100 guarantee policy	2.50	2.49	2.56	2.57	2.57
PS1 100/100 guarantee policy	2.67	2.66	2.77	2.79	2.79
PS 75/75 guarantee policy	1.47	1.48	—	—	—
PS 75/100 guarantee policy	1.75	1.75	2.00	2.04	2.04
PPS 75/75 guarantee policy	1.30	1.28	—	—	—
PPS 75/100 guarantee policy	1.41	1.40	1.36	—	—

Portfolio Turnover Rate (%) ⁽²⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	3.71	5.71	97.52	0.04	0.50

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
SMALL CAP EQUITY FUND (BISSETT) SF105

December 31, 2023

Independent Auditor's Report

To the Contractholders of Small Cap Equity Fund (Bissett) SF105 (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

Small Cap Equity Fund (Bissett) SF105

(in Canadian \$ thousands)

Fund Manager: Franklin Templeton Investments Corp.

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ —	\$ —
Investment income due and accrued	—	—
Due from The Canada Life Assurance Company (note 8)	—	—
Due from brokers	43	92
Due from outside parties	—	—
Investments		
Investment fund units (note 3)	16,857	16,850
Total investments	16,857	16,850
Total assets	\$ 16,900	\$ 16,942
Liabilities		
Overdrafts	\$ 96	\$ 92
Due to The Canada Life Assurance Company (note 8)	8	5
Due to brokers	—	—
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	104	97
Net assets attributable to contractholders	\$ 16,796	\$ 16,845

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 2,768	\$ (916)
Miscellaneous income (loss)	—	—
Total income (loss)	2,768	(916)
Expenses		
Management fees (note 8)	538	592
Other	55	60
Total expenses	593	652
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 2,175	\$ (1,568)

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year	\$ 16,845	\$ 20,341
Contractholder deposits	199	303
Contractholder withdrawals	(2,423)	(2,231)
Increase (decrease) in net assets from operations attributable to contractholders	2,175	(1,568)
Change in net assets attributable to contractholders	(49)	(3,496)
Net assets attributable to contractholders - end of year	\$ 16,796	\$ 16,845

Small Cap Equity Fund (Bissett) SF105

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 2,175	\$ (1,568)
Adjustments		
Realized (gains) losses	(56)	28
Unrealized (gains) losses	(2,162)	1,159
Gross proceeds of disposition of investments	2,843	2,720
Gross payments for the purchase of investments	(82)	(111)
Distribution income of underlying mutual fund	(550)	(271)
Change in due from/to The Canada Life Assurance Company	3	(6)
Change in due from/to brokers	49	(89)
	<u>2,220</u>	<u>1,862</u>
Financing Activities		
Contractholder deposits	199	303
Contractholder withdrawals	(2,423)	(2,231)
	<u>(2,224)</u>	<u>(1,928)</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	(4)	(66)
Cash, short-term deposits and overdrafts, beginning of year	(92)	(26)
Cash, short-term deposits and overdrafts, end of year	\$ (96)	\$ (92)

Small Cap Equity Fund (Bissett) SF105

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units)

As at December 31, 2023

	<u>No. of Units</u>	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units			
Franklin Bissett Small Cap Fund Series O	212,855	15,660	16,857
Total Investments		15,660	16,857

Top 25 Holdings

Security Description	% of Total
DRI Healthcare Trust	4.20%
ATCO Ltd. Class I non-voting	3.69%
EQB Inc.	3.60%
Boyd Group Services Inc.	3.31%
Empire Co. Ltd. Class A non-voting	3.13%
PHX Energy Services Corp.	3.09%
Headwater Exploration Inc.	3.07%
AltaGas Ltd.	3.04%
Winpak Ltd.	2.94%
FirstService Corp.	2.74%
Neighbourly Pharmacy Inc.	2.67%
Parex Resources Inc.	2.65%
Topaz Energy Corp.	2.58%
Calian Group Ltd.	2.57%
Jamieson Wellness Inc.	2.43%
Kelt Exploration Ltd.	2.43%
The Descartes Systems Group Inc.	2.39%
Canadian Western Bank	2.25%
Enerflex Ltd.	2.09%
Transcontinental Inc. Class A sub. voting	2.02%
Whitecap Resources Inc.	2.01%
Bird Construction Inc.	1.95%
Methanex Corp.	1.94%
Celestica Inc.	1.93%
Killam Apartment REIT	1.93%

Small Cap Equity Fund (Bissett) SF105

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Net Assets Attributable to Contractholders by Category

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
Generations/Mosaic	275,891	315,139	350,007	387,031	464,062	8,704	8,749	10,604	9,403	11,332
Generations I	77,658	83,348	93,942	108,445	137,602	892	843	1,036	959	1,224
Generations II	41,554	49,943	56,369	70,082	82,738	509	540	668	668	796
Generations Core	54,671	62,948	65,832	82,839	108,557	740	747	851	856	1,125
75/75 guarantee policy	72,382	85,417	91,321	104,947	130,795	1,119	1,159	1,348	1,239	1,548
75/100 guarantee policy	133,291	160,147	189,118	232,528	309,907	1,989	2,103	2,710	2,672	3,579
100/100 guarantee policy	54,878	60,375	72,960	82,482	97,348	775	753	997	907	1,081
PS1 75/75 guarantee policy	16,151	17,461	16,745	17,843	54,057	205	194	202	171	518
PS1 75/100 guarantee policy	46,454	49,986	53,975	52,664	120,560	574	542	636	497	1,137
PS1 100/100 guarantee policy	51,825	56,111	51,081	67,778	63,878	612	583	579	617	584
PS2 75/75 guarantee policy	10,961	11,276	11,595	11,926	14,667	200	174	189	150	179
PS2 75/100 guarantee policy	8,572	8,816	9,061	9,317	29,162	156	136	147	117	355
PS2 100/100 guarantee policy	17,411	20,334	22,242	19,669	15,153	318	315	362	247	185
PS 75/75 guarantee policy	—	478	401	321	402	—	4	4	2	3
PS 75/100 guarantee policy	324	327	912	2,546	2,880	3	3	8	19	21

Net Assets Attributable to Contractholders Per Unit (note 7)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
Generations/Mosaic	31.55	27.76	30.30	24.29	24.42	3.79	(2.54)
Generations I	11.49	10.11	11.03	8.85	8.89	1.38	(0.92)
Generations II	12.24	10.81	11.85	9.54	9.62	1.43	(1.04)
Generations Core	13.53	11.88	12.92	10.34	10.36	1.65	(1.04)
75/75 guarantee policy	15.46	13.57	14.76	11.81	11.84	1.89	(1.19)
75/100 guarantee policy	14.92	13.13	14.33	11.49	11.55	1.79	(1.20)
100/100 guarantee policy	14.12	12.47	13.67	11.00	11.10	1.65	(1.20)
PS1 75/75 guarantee policy	12.68	11.09	12.04	9.60	9.59	1.59	(0.95)
PS1 75/100 guarantee policy	12.36	10.84	11.78	9.42	9.43	1.52	(0.94)
PS1 100/100 guarantee policy	11.80	10.39	11.34	9.10	9.15	1.41	(0.95)
PS2 75/75 guarantee policy	18.26	15.49	16.28	12.58	12.19	2.77	(0.79)
PS2 75/100 guarantee policy	18.25	15.47	16.27	12.57	12.18	2.78	(0.80)
PS2 100/100 guarantee policy	18.25	15.48	16.28	12.58	12.18	2.77	(0.80)
PS 75/75 guarantee policy	—	8.77	9.44	7.46	7.40	—	(0.67)
PS 75/100 guarantee policy	9.96	8.66	9.35	7.42	7.37	1.30	(0.69)

Small Cap Equity Fund (Bissett) SF105

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Small Cap Equity Fund (Bissett) SF105 (the Fund) is offered by The Canada Life Assurance Company (Canada Life or the Company).

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

Small Cap Equity Fund (Bissett) SF105

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

Small Cap Equity Fund (Bissett) SF105

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in note 9 on Financial Instrument Risk Management.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

Small Cap Equity Fund (Bissett) SF105

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Investment Fund Units

Investment fund units are recorded at fair value, which is the closing net asset value (NAV) per unit of the underlying fund.

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Small Cap Equity Fund (Bissett) SF105

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

Small Cap Equity Fund (Bissett) SF105

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

k) Income Allocation

Net gain (loss) on investments, which includes realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the NAV per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

3. INVESTMENT FUND UNITS

Investment fund units of the Fund invest solely in underlying mutual funds.

As the Fund's assets are invested in underlying investment funds, the Fund indirectly pays management fees and operating expenses of the underlying funds. All such charges are included in the management expense ratio of the segregated funds.

Distributions of income from the underlying investment funds are shown as net gain (loss) on investments on the Statement of Comprehensive Income.

Investment activity of the underlying fund indirectly exposes the Fund to financial risk. See note 9 on Financial Instrument Risk Management.

Investments in unconsolidated structured entities

The Company has determined that the Fund meets the definition of an investment entity and as such, accounts for its holdings in unlisted open-ended investment funds at FVTPL. The Company has concluded that the underlying funds in which the Fund invests, but do not consolidate, meet the definition of structured entities because: (i) the voting rights in the underlying funds are not dominant rights in deciding who controls them; (ii) each underlying fund's activities are restricted by its prospectus; and (iii) the underlying funds have narrow and well-defined objectives to provide investment opportunities to investors.

Small Cap Equity Fund (Bissett) SF105

Notes to the Financial Statements

(in Canadian \$ thousands)

4. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Emperor,
- Flex,
- Generations/Mosaic,
- Generations I,
- Generations II,
- Generations Core,
- Prestige/Prestige Plus, and
- Private Collections.

In addition to the Individual units, units are available for:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

The categories of units, and the various levels within each, are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

Small Cap Equity Fund (Bissett) SF105

Notes to the Financial Statements

(in Canadian \$ thousands)

5. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

6. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

7. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

Small Cap Equity Fund (Bissett) SF105

Notes to the Financial Statements

(in Canadian \$ thousands)

8. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.

Small Cap Equity Fund (Bissett) SF105

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT

a) Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023. The following sections describe the significant risks that are relevant to the Fund.

To assist with managing risk, the Fund Manager maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and securities regulations. Financial statements for the underlying funds, which include discussions about their respective risk exposure, are available upon request.

b) Liquidity Risk

Liquidity risk arises when a Fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units. As the Fund primarily invests all of its net assets in the underlying funds, liquidity risk is mitigated by the underlying funds' ability to meet the obligation to fund daily cash redemptions of their redeemable units/shares. In addition, the underlying funds retain sufficient cash and cash equivalent positions to maintain adequate liquidity.

c) Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The Fund's investments in all underlying funds are denominated in Canadian dollars. However, the Fund is indirectly exposed to currency risk to the extent that the investments of the underlying funds are denominated or traded in a foreign currency.

d) Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund does not directly hold any interest-bearing financial instruments. The Fund is indirectly exposed to the risk that the value of interest-bearing financial instruments held by the underlying funds will fluctuate due to changes in the prevailing levels of market interest rates.

e) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund has no direct exposure to credit risk. The greatest indirect concentration of credit risk is in debt securities, such as bonds, held by underlying funds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer.

f) Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. For the instruments held by the Fund, maximum risk of loss is equivalent to their fair value. The Fund Manager moderates this risk through a careful selection of underlying funds within the parameters of the investment strategy.

g) Fair Value Classification

Investment Fund Units are recorded at fair value, which is the closing NAV per unit of the underlying fund. This valuation is considered to be a Level 1 classification.

Small Cap Equity Fund (Bissett) SF105

Supplemental Information *(unaudited)*

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾

For the years ended December 31	2023	2022	2021	2020	2019
Generations/Mosaic	3.70	3.71	3.71	3.71	3.72
Generations I	3.70	3.71	3.71	3.71	3.72
Generations II	4.09	4.09	4.09	4.09	4.10
Generations Core	3.43	3.43	3.43	3.44	3.44
75/75 guarantee policy	3.43	3.43	3.43	3.43	3.44
75/100 guarantee policy	3.70	3.71	3.71	3.71	3.72
100/100 guarantee policy	4.09	4.10	4.09	4.09	4.10
PS1 75/75 guarantee policy	3.13	3.13	3.14	3.16	3.15
PS1 75/100 guarantee policy	3.35	3.36	3.36	3.37	3.37
PS1 100/100 guarantee policy	3.74	3.74	3.75	3.74	3.75
PS 75/75 guarantee policy	—	2.32	2.33	2.34	2.34
PS 75/100 guarantee policy	2.61	2.61	2.61	2.61	2.60

Portfolio Turnover Rate (%) ⁽²⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	0.48	0.60	1.13	1.36	0.61

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
INTERNATIONAL EQUITY FUND (TEMPLETON) SF118

December 31, 2023

Independent Auditor's Report

To the Contractholders of International Equity Fund (Templeton) SF118 (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

International Equity Fund (Templeton) SF118

(in Canadian \$ thousands)

Fund Manager: Franklin Templeton Investments Corp.

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ —	\$ —
Investment income due and accrued	—	—
Due from The Canada Life Assurance Company (note 8)	—	—
Due from brokers	6	7
Due from outside parties	—	—
Investments		
Investment fund units (note 3)	5,614	5,940
Total investments	5,614	5,940
Total assets	\$ 5,620	\$ 5,947
Liabilities		
Overdrafts	\$ 7	\$ 7
Due to The Canada Life Assurance Company (note 8)	1	1
Due to brokers	—	—
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	8	8
Net assets attributable to contractholders	\$ 5,612	\$ 5,939

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 1,003	\$ (108)
Miscellaneous income (loss)	—	—
Total income (loss)	1,003	(108)
Expenses		
Management fees (note 8)	180	184
Other	20	21
Total expenses	200	205
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 803	\$ (313)

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year	\$ 5,939	\$ 7,305
Contractholder deposits	45	144
Contractholder withdrawals	(1,175)	(1,197)
Increase (decrease) in net assets from operations attributable to contractholders	803	(313)
Change in net assets attributable to contractholders	(327)	(1,366)
Net assets attributable to contractholders - end of year	\$ 5,612	\$ 5,939

International Equity Fund (Templeton) SF118

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 803	\$ (313)
Adjustments		
Realized (gains) losses	37	196
Unrealized (gains) losses	(826)	184
Gross proceeds of disposition of investments	1,348	1,376
Gross payments for the purchase of investments	(19)	(104)
Distribution income of underlying mutual fund	(214)	(272)
Change in due from/to The Canada Life Assurance Company	—	(1)
Change in due from/to brokers	1	2
	<u>1,130</u>	<u>1,068</u>
Financing Activities		
Contractholder deposits	45	144
Contractholder withdrawals	(1,175)	(1,197)
	<u>(1,130)</u>	<u>(1,053)</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	—	15
Cash, short-term deposits and overdrafts, beginning of year	<u>(7)</u>	<u>(22)</u>
Cash, short-term deposits and overdrafts, end of year	<u>\$ (7)</u>	<u>\$ (7)</u>

International Equity Fund (Templeton) SF118

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units)

As at December 31, 2023

	<u>No. of Units</u>	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units			
Templeton International Stock Trust	278,808	5,623	5,614
Total Investments		5,623	5,614

Top 25 Holdings

Security Description	% of Total
Deutsche Telekom AG	4.07%
TotalEnergies SE	3.83%
Shell PLC	3.67%
BP PLC	3.37%
Sumitomo Mitsui Financial Group Inc.	3.31%
Samsung Electronics Co. Ltd.	3.05%
Hitachi Ltd.	2.78%
CRH PLC	2.70%
Sanofi SA	2.66%
Lloyds Banking Group PLC	2.49%
BAE Systems PLC	2.45%
SAP SE	2.42%
Cash and short-term deposits	2.38%
Veolia Environnement SA	2.36%
Honda Motor Co. Ltd.	2.25%
ICON PLC	2.25%
Smith & Nephew PLC	2.25%
AstraZeneca PLC	2.16%
HSBC Holdings PLC	2.12%
Mitsubishi Electric Corp.	2.12%
Unilever PLC	2.11%
Danone SA	2.02%
Sony Group Corp.	1.93%
Taiwan Semiconductor Manufacturing Co. Ltd. ADR	1.92%
Adecco Group AG	1.91%

International Equity Fund (Templeton) SF118

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Net Assets Attributable to Contractholders by Category

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
Generations/Mosaic	190,691	207,544	229,048	266,505	343,854	2,278	2,170	2,502	2,862	3,988
Generations I	30,585	32,787	41,318	46,273	66,801	365	342	450	495	771
Generations II	13,963	14,646	15,542	16,604	18,362	137	126	140	147	176
Generations Core	11,641	11,548	18,380	29,901	48,904	125	108	178	284	499
Prestige/Prestige Plus	—	419	484	551	627	—	5	6	6	8
75/75 guarantee policy	26,348	45,932	47,599	53,290	67,455	393	596	642	703	957
75/100 guarantee policy	63,080	77,885	88,872	116,305	150,743	905	977	1,164	1,496	2,091
100/100 guarantee policy	21,150	27,036	27,927	35,717	39,823	291	327	353	445	537
PS1 75/75 guarantee policy	4,139	6,091	30,555	33,586	47,269	77	99	513	550	829
PS1 75/100 guarantee policy	52,920	63,958	62,026	58,444	62,195	949	999	1,008	929	1,063
PS1 100/100 guarantee policy	2,142	3,887	3,959	1,443	1,416	37	58	62	22	23
PS2 75/75 guarantee policy	—	3,837	3,936	4,041	8,355	—	84	87	84	182
PS2 75/100 guarantee policy	1,677	1,723	1,770	2,205	7,613	43	38	39	46	166
PS2 100/100 guarantee policy	441	455	7,320	7,552	7,798	12	10	161	158	170
PS 75/100 guarantee policy	—	—	—	—	2,024	—	—	—	—	19
PPS 75/100 guarantee policy	—	—	—	—	10,651	—	—	—	—	101

Net Assets Attributable to Contractholders Per Unit (note 7)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
Generations/Mosaic	11.95	10.46	10.92	10.74	11.60	1.49	(0.46)
Generations I	11.94	10.44	10.89	10.70	11.54	1.50	(0.45)
Generations II	9.78	8.58	8.98	8.85	9.58	1.20	(0.40)
Generations Core	10.73	9.34	9.71	9.50	10.21	1.39	(0.37)
Prestige/Prestige Plus	—	11.12	11.61	11.41	12.33	—	(0.49)
75/75 guarantee policy	14.90	12.98	13.49	13.20	14.19	1.92	(0.51)
75/100 guarantee policy	14.35	12.55	13.10	12.86	13.87	1.80	(0.55)
100/100 guarantee policy	13.77	12.08	12.65	12.46	13.49	1.69	(0.57)
PS1 75/75 guarantee policy	18.65	16.19	16.78	16.37	17.53	2.46	(0.59)
PS1 75/100 guarantee policy	17.94	15.63	16.25	15.90	17.09	2.31	(0.62)
PS1 100/100 guarantee policy	17.03	14.91	15.57	15.31	16.53	2.12	(0.66)
PS2 75/75 guarantee policy	—	21.89	22.04	20.89	21.76	—	(0.15)
PS2 75/100 guarantee policy	25.92	21.88	22.03	20.88	21.75	4.04	(0.15)
PS2 100/100 guarantee policy	25.91	21.87	22.03	20.87	21.74	4.04	(0.16)
PS 75/100 guarantee policy	—	—	—	—	9.46	—	—
PPS 75/100 guarantee policy	—	—	—	—	9.51	—	—

International Equity Fund (Templeton) SF118

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The International Equity Fund (Templeton) SF118 (the Fund) is offered by The Canada Life Assurance Company (Canada Life or the Company).

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

International Equity Fund (Templeton) SF118

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

International Equity Fund (Templeton) SF118

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in note 9 on Financial Instrument Risk Management.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

International Equity Fund (Templeton) SF118

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Investment Fund Units

Investment fund units are recorded at fair value, which is the closing net asset value (NAV) per unit of the underlying fund.

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

International Equity Fund (Templeton) SF118

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

International Equity Fund (Templeton) SF118

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

k) Income Allocation

Net gain (loss) on investments, which includes realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the NAV per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

3. INVESTMENT FUND UNITS

Investment fund units of the Fund invest solely in underlying mutual funds.

As the Fund's assets are invested in underlying investment funds, the Fund indirectly pays management fees and operating expenses of the underlying funds. All such charges are included in the management expense ratio of the segregated funds.

Distributions of income from the underlying investment funds are shown as net gain (loss) on investments on the Statement of Comprehensive Income.

Investment activity of the underlying fund indirectly exposes the Fund to financial risk. See note 9 on Financial Instrument Risk Management.

Investments in unconsolidated structured entities

The Company has determined that the Fund meets the definition of an investment entity and as such, accounts for its holdings in unlisted open-ended investment funds at FVTPL. The Company has concluded that the underlying funds in which the Fund invests, but do not consolidate, meet the definition of structured entities because: (i) the voting rights in the underlying funds are not dominant rights in deciding who controls them; (ii) each underlying fund's activities are restricted by its prospectus; and (iii) the underlying funds have narrow and well-defined objectives to provide investment opportunities to investors.

International Equity Fund (Templeton) SF118

Notes to the Financial Statements

(in Canadian \$ thousands)

4. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Emperor,
- Flex,
- Generations/Mosaic,
- Generations I,
- Generations II,
- Generations Core,
- Prestige/Prestige Plus, and
- Private Collections.

In addition to the Individual units, units are available for:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

The categories of units, and the various levels within each, are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

International Equity Fund (Templeton) SF118

Notes to the Financial Statements

(in Canadian \$ thousands)

5. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

6. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

7. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

International Equity Fund (Templeton) SF118

Notes to the Financial Statements

(in Canadian \$ thousands)

8. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.

International Equity Fund (Templeton) SF118

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT

a) Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023. The following sections describe the significant risks that are relevant to the Fund.

To assist with managing risk, the Fund Manager maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and securities regulations. Financial statements for the underlying funds, which include discussions about their respective risk exposure, are available upon request.

b) Liquidity Risk

Liquidity risk arises when a Fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units. As the Fund primarily invests all of its net assets in the underlying funds, liquidity risk is mitigated by the underlying funds' ability to meet the obligation to fund daily cash redemptions of their redeemable units/shares. In addition, the underlying funds retain sufficient cash and cash equivalent positions to maintain adequate liquidity.

c) Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The Fund's investments in all underlying funds are denominated in Canadian dollars. However, the Fund is indirectly exposed to currency risk to the extent that the investments of the underlying funds are denominated or traded in a foreign currency.

d) Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund does not directly hold any interest-bearing financial instruments. The Fund is indirectly exposed to the risk that the value of interest-bearing financial instruments held by the underlying funds will fluctuate due to changes in the prevailing levels of market interest rates.

e) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund has no direct exposure to credit risk. The greatest indirect concentration of credit risk is in debt securities, such as bonds, held by underlying funds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer.

f) Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. For the instruments held by the Fund, maximum risk of loss is equivalent to their fair value. The Fund Manager moderates this risk through a careful selection of underlying funds within the parameters of the investment strategy.

g) Fair Value Classification

Investment Fund Units are recorded at fair value, which is the closing NAV per unit of the underlying fund. This valuation is considered to be a Level 1 classification.

International Equity Fund (Templeton) SF118

Supplemental Information *(unaudited)*

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾

For the years ended December 31	2023	2022	2021	2020	2019
Generations/Mosaic	3.66	3.66	3.66	3.65	3.64
Generations I	3.55	3.55	3.55	3.54	3.53
Generations II	3.89	3.88	3.87	3.87	3.86
Generations Core	3.17	3.17	3.17	3.16	3.14
Prestige/Prestige Plus	—	3.65	3.64	3.64	3.63
75/75 guarantee policy	3.17	3.16	3.16	3.15	3.14
75/100 guarantee policy	3.55	3.55	3.55	3.54	3.53
100/100 guarantee policy	3.89	3.88	3.89	3.87	3.86
PS1 75/75 guarantee policy	2.87	2.87	2.86	2.85	2.84
PS1 75/100 guarantee policy	3.20	3.19	3.19	3.18	3.17
PS1 100/100 guarantee policy	3.65	3.64	3.64	3.62	3.61
PS 75/100 guarantee policy	—	—	—	—	2.40
PPS 75/100 guarantee policy	—	—	—	—	2.06

Portfolio Turnover Rate (%) ⁽²⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	0.31	1.68	3.99	14.06	4.62

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
GOVERNMENT BOND FUND S-167G

December 31, 2023

Independent Auditor's Report

To the Contractholders of Government Bond Fund S-167G (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

Government Bond Fund S-167G

(in Canadian \$ thousands)

Fund Manager: Mackenzie Investments

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ 8	\$ 1,024
Investment income due and accrued	16	46
Due from The Canada Life Assurance Company (note 8)	—	—
Due from brokers	—	—
Due from outside parties	—	—
Investments		
Bonds	3,360	14,174
Stocks	—	—
Investment fund units	—	—
Derivatives (note 7)	—	—
Total investments	3,360	14,174
Total assets	\$ 3,384	\$ 15,244
Liabilities		
Overdrafts	\$ —	\$ —
Due to The Canada Life Assurance Company (note 8)	—	3
Due to brokers	—	—
Due to outside parties	—	—
Derivatives (note 7)	—	—
Total liabilities excluding net assets attributable to contractholders	—	3
Net assets attributable to contractholders	\$ 3,384	\$ 15,241

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 328	\$ (504)
Miscellaneous income (loss)	10	17
Total income (loss)	338	(487)
Expenses		
Management fees (note 8)	76	94
Transaction costs	—	—
Withholding taxes	—	—
Other	9	12
Total expenses	85	106
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 253	\$ (593)

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year	\$ 15,241	\$ 19,156
Contractholder deposits	708	593
Contractholder withdrawals	(12,818)	(3,915)
Increase (decrease) in net assets from operations attributable to contractholders	253	(593)
Change in net assets attributable to contractholders	(11,857)	(3,915)
Net assets attributable to contractholders - end of year	\$ 3,384	\$ 15,241

Government Bond Fund S-167G

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 253	\$ (593)
Adjustments		
Add back amortization of premium (discount)	9	(12)
Realized (gains) losses	671	366
Unrealized (gains) losses	(628)	493
Gross proceeds of disposition of investments	21,786	9,762
Gross payments for the purchase of investments	(11,024)	(6,722)
Change in investment income due and accrued	30	(8)
Change in due from/to The Canada Life Assurance Company	(3)	(8)
Change in due from/to brokers	—	—
Change in due from/to outside parties	—	—
	<u>11,094</u>	<u>3,278</u>
Financing Activities		
Contractholder deposits	708	593
Contractholder withdrawals	(12,818)	(3,915)
	<u>(12,110)</u>	<u>(3,322)</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	(1,016)	(44)
Cash, short-term deposits and overdrafts, beginning of year	1,024	1,068
Cash, short-term deposits and overdrafts, end of year	\$ 8	\$ 1,024
Supplementary cash flow information		
Interest income received	\$ 401	\$ 333

Government Bond Fund S-167G

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or Par Value	Average Cost	Fair Value
Canadian Bonds			
Federal Government			
Canada Housing Trust No. 1 1.90% 09-15-2026	754,000	722	720
Canada Housing Trust No. 1 1.95% 12-15-2025	340,000	332	327
Canada Housing Trust No. 1 2.55% 03-15-2025	285,000	277	279
Government of Canada 1.25% 03-01-2027	373,000	352	349
Government of Canada 3.25% 09-01-2028	250,000	241	251
Government of Canada 4.25% 12-01-2026 Real Return	20,000	40	39
Total Federal Government		1,964	1,965
Provincial Government			
Province of British Columbia 2.30% 06-18-2026	43,000	44	41
Province of Manitoba 2.55% 06-02-2026	56,000	57	54
Province of Ontario 1.55% 11-01-2029	66,000	66	59
Province of Ontario 2.40% 06-02-2026	65,000	70	63
Province of Ontario 2.60% 06-02-2025	21,000	21	21
Province of Ontario 3.65% 06-02-2033	620,000	599	615
Province of Quebec 2.75% 09-01-2027	150,000	158	146
Total Provincial Government		1,015	999
Municipal Government			
Municipal Finance Authority of British Columbia 4.95% 12-01-2027	24,000	29	25
Total Municipal Government		29	25
Corporate - Non-convertible			
Canada Housing Trust No. 1 Floating Rate 03-15-2026	156,000	157	156
PSP Capital Inc. 2.60% 03-01-2032	80,000	80	74
Total Corporate - Non-convertible		237	230
Mortgage Backed			
First National Financial Corp. 3.84% 11-01-2028	126,000	122	125
Total Mortgage Backed		122	125
Total Canadian Bonds		3,367	3,344

Government Bond Fund S-167G

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or <u>Par Value</u>	<u>Average Cost</u>	<u>Fair Value</u>
United States Bonds			
Federal Government			
United States Treasury Inflation Index 0.50% 04-15-2024 Real Return	10,000	16	16
Total Federal Government		16	16
Total United States Bonds		16	16
Total Bonds		3,383	3,360

Government Bond Fund S-167G

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, contracts, shares, par value or contract price)

As at December 31, 2023

Schedule of Derivative Contracts

Futures Contracts

No. of Contracts	Average Contract Price	Futures Contracts	Maturity Date	Notional Amount	Price as at December 31	Unrealized Gain (Loss)
(1)	CAD 112.49	CAN 5YR BOND 03-31-2024	March 31, 2024	CAD 113	CAD 112.69	-
Derivatives - Assets						-

Total Futures Contracts

Total Derivative Instruments at Fair Value

Total Investments

3,383

3,360

Government Bond Fund S-167G

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

Introduction

The objective of the Government Bond Fund S-167G (the Fund) in managing risk is the creation and protection of contractholder value. Risk is inherent in the Fund's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. The process of risk management is critical to the Fund's continuing profitability. The Fund can be exposed to liquidity risk, market risk (which includes currency risk, interest rate risk and other price risk) and credit risk arising from the financial instruments it holds.

A. Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023, and groups the securities by asset type, geographic region and/or market segment. The following sections describe the significant risks that are relevant to the Fund.

To assist with managing risk, The Canada Life Assurance Company (Canada Life or the Company) maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and other regulations.

B. Liquidity Risk

Liquidity risk arises when a fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units by contractholders. The Fund retains sufficient cash and cash equivalent positions to maintain adequate liquidity to meet the obligation to fund daily cash redemptions of their redeemable units.

Some securities are illiquid due to legal restrictions on their resale, the nature of the investment, or simply a lack of interested buyers for a particular security or security type. Certain securities may become less liquid due to changes in market conditions, such as interest rate changes or market volatility, which could impair the ability of a fund to sell such securities quickly.

In accordance with the Fund's policy, the Company monitors the Fund's liquidity positions on a regular basis.

C. Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The classifications used on the Schedule of Investment Portfolio for the financial instruments are based on the country of issue.

Government Bond Fund S-167G

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

C. Currency Risk (continued)

The table below indicates the foreign currencies to which the Fund had significant exposure as at December 31, 2023 in Canadian dollar terms, including the underlying principal amount of forward currency contracts, if any. The table also illustrates the potential impact to the Fund's net assets attributable to contractholders, all other variables held constant, as a result of a 1% change in these currencies relative to the Canadian dollar. In practice, the actual results may differ from this sensitivity analysis and the difference could be significant.

2023						
Currency	Investments	Cash, Short-term Deposits and Overdrafts			Total*	Impact on Net Assets Attributable to Contractholders
United States Dollar	\$ 16	\$ —	\$ —	\$ —	\$ 16	\$ —
Total	\$ 16	\$ —	\$ —	\$ —	\$ 16	\$ —
As Percent of Net Assets Attributable to Contractholders					0.5%	—%

*includes both monetary and non-monetary instruments

The Fund had no significant exposure to foreign currency as at December 31, 2022.

D. Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund is exposed to the risk that the value of interest-bearing financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. Due to the nature of short-term fixed income securities with a remaining term-to-maturity of less than one year, these investments are not generally exposed to a significant risk that their value will fluctuate in response to changes in the prevailing levels of market interest rates. The risk is professionally managed at the security and fund level by the Company.

The table below summarizes the Fund's exposure to interest rate risk by remaining term-to-maturity.

2023						
	1 year or less	Over 1 year to 5 years	Over 5 years to 10 years	Over 10 years	Total	
Bonds	\$ 16	\$ 2,597	\$ 747	\$ —	\$	3,360
2022						
	1 year or less	Over 1 year to 5 years	Over 5 years to 10 years	Over 10 years	Total	
Bonds	\$ 760	\$ 11,013	\$ 2,401	\$ —	\$	14,174

As at December 31, 2023, had prevailing interest rates increased or decreased by 1% assuming a parallel shift in the yield curve, with all other variables held constant, net assets attributable to contractholders would have decreased or increased, respectively, by approximately \$119 (\$382 at December 31, 2022) or approximately 3.5% (2.5% at December 31, 2022). The Fund's sensitivity to interest rate changes was estimated using the weighted average duration of the bond portfolio. In practice, the actual results may differ and the difference could be significant.

Government Bond Fund S-167G

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

E. Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund's greatest concentration of credit risk is in debt securities, such as bonds. The fair value of debt instruments includes consideration of the creditworthiness of the debt issuer. The carrying amount of debt instruments represents the maximum credit risk exposure as at December 31, 2023. The amount of credit risk to any one issuer may be determined from the information reported in the Schedule of Investment Portfolio. The Fund may invest in short-term fixed income securities issued or guaranteed primarily by the Government of Canada or any Canadian provincial government, obligations of Canadian chartered banks or trust companies, and commercial paper with approved credit ratings. The risk of default on these short-term fixed income securities is considered low. The Company monitors credit risk and credit ratings on a regular basis. All new counterparties to financial instruments are subject to an approval process.

There was no change in fair values of financial liabilities as a result of changes in credit risks during 2023 or 2022.

All transactions in listed securities are settled and paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker.

Credit ratings disclosed below are obtained from independent rating agencies including DBRS, Standard & Poor's, Moody's Investors Service and Fitch Ratings. The lowest rating provided by the agencies is used.

Debt securities by credit rating are as follows:

	2023		2022	
	Percent of Total Bonds (%)	Percent of Total Net Assets Attributable to Contractholders (%)	Percent of Total Bonds (%)	Percent of Total Net Assets Attributable to Contractholders (%)
AAA	50.8	50.4	57.8	53.7
AA	25.1	24.9	26.2	24.4
A	24.1	24.0	16.0	14.9
Total	100.0	99.3	100.0	93.0

F. Fair Value Classification

The following table presents information about the Fund's assets and liabilities measured at fair value on a recurring basis and indicates the fair value hierarchy of the valuation techniques utilized by the Fund to determine such fair value:

	2023			
	Assets and Liabilities Measured at Fair Value			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Bonds	\$ —	\$ 3,360	\$ —	\$ 3,360
Derivatives	—	—	—	—
Total assets measured at fair value	\$ —	\$ 3,360	\$ —	\$ 3,360
Liabilities measured at fair value				
Derivatives ⁽¹⁾	\$ —	\$ —	\$ —	\$ —
Net assets attributable to contractholders measured at fair value	\$ —	\$ 3,360	\$ —	\$ 3,360

⁽¹⁾ Excludes collateral pledged to counterparties of \$2.

Government Bond Fund S-167G

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

F. Fair Value Classification (continued)

	2022			
	Assets and Liabilities Measured at Fair Value			
	Level 1	Level 2	Level 3	Total
<u>Assets measured at fair value</u>				
Bonds	\$ —	\$ 14,174	\$ —	\$ 14,174
Derivatives	—	—	—	—
Total assets measured at fair value	\$ —	\$ 14,174	\$ —	\$ 14,174
<u>Liabilities measured at fair value</u>				
Derivatives	\$ —	\$ —	\$ —	\$ —
Net assets attributable to contractholders measured at fair value	\$ —	\$ 14,174	\$ —	\$ 14,174

There were no significant transfers between Level 1 and Level 2 during 2023 or 2022.

Government Bond Fund S-167G

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance. Portfolio units are allocated to each category as described in note 3 and are not included on this page.

Net Assets Attributable to Contractholders by Category

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
Generations/Mosaic	112,729	129,903	159,312	193,688	163,571	1,412	1,581	2,046	2,577	2,112
Generations I	33,848	38,939	45,424	52,543	69,411	393	435	532	633	806
Generations II	10,166	11,384	20,599	24,341	25,640	112	121	230	280	284
Generations Core	19,430	22,936	27,768	39,992	26,814	218	248	315	466	301
75/75 guarantee policy	31,465	36,436	43,044	49,200	69,840	324	362	448	526	719
75/100 guarantee policy	61,444	117,429	132,299	148,278	208,309	628	1,156	1,365	1,574	2,130
100/100 guarantee policy	11,798	16,612	18,546	20,610	23,410	120	163	191	218	239
PS1 75/75 guarantee policy	—	—	6,491	6,488	7,489	—	—	69	71	78
PS1 75/100 guarantee policy	16,693	16,687	42,951	45,469	67,404	177	170	455	493	700
PS2 75/75 guarantee policy	—	—	—	—	5,065	—	—	—	—	59
PS2 75/100 guarantee policy	—	—	7,653	7,759	7,871	—	—	93	95	91

Net Assets Attributable to Contractholders Per Unit (note 6)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
Generations/Mosaic	12.53	12.17	12.84	13.31	12.91	0.36	(0.67)
Generations I	11.60	11.18	11.72	12.05	11.61	0.42	(0.54)
Generations II	11.04	10.65	11.16	11.49	11.07	0.39	(0.51)
Generations Core	11.23	10.82	11.34	11.65	11.22	0.41	(0.52)
75/75 guarantee policy	10.30	9.93	10.40	10.69	10.30	0.37	(0.47)
75/100 guarantee policy	10.21	9.85	10.32	10.61	10.23	0.36	(0.47)
100/100 guarantee policy	10.16	9.80	10.28	10.58	10.20	0.36	(0.48)
PS1 75/75 guarantee policy	—	—	10.65	10.89	10.42	—	—
PS1 75/100 guarantee policy	10.61	10.17	10.60	10.84	10.38	0.44	(0.43)
PS2 75/75 guarantee policy	—	—	—	—	11.61	—	—
PS2 75/100 guarantee policy	—	—	12.18	12.27	11.59	—	—

Government Bond Fund S-167G

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Fund is offered by The Canada Life Assurance Company.

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

Government Bond Fund S-167G

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

Government Bond Fund S-167G

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in fair value measurements in the notes to the Schedule of Investment Portfolio.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

Government Bond Fund S-167G

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Bonds

Bonds are recorded at fair value determined with reference to closing quoted market prices, where the last traded price falls within the day's bid-ask spread, primarily provided by third party independent pricing sources. Fair values are determined on the basis of the closing price for a security on the recognized exchange on which it is principally traded at each reporting date. In circumstances where the last traded price is not within the bid-ask spread, the Company determines the point when the bid-ask spread that is most representative of fair value based on the specific facts and circumstances.

The fair value of unlisted securities is established using quotations determined by a major dealer in a particular security. Should the quoted value for a security, in the opinion of the Fund Manager, be inaccurate, unreliable, or not readily available, the value of the security is estimated using valuation techniques. Valuation techniques include the market approach (using recent arm's-length market transactions adjusted as necessary and reference to the current market value of another instrument that is substantially the same) and the income approach (discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible).

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Derivatives

Derivatives are classified and measured at fair value. Derivatives are valued using market transactions and other market evidence whenever possible, including market based inputs to models, broker or dealer quotations or alternative pricing sources with reasonable levels of transparency. When models are used, the selection of a particular model to value a derivative depends on the contractual terms of, and specific risks inherent in, the instrument, as well as the availability of pricing information in the market. The Company generally uses similar models to value similar instruments. Valuation models require a variety of inputs, including contractual terms, market prices and rates, yield curves, credit curves, measures volatility, prepayment rates and correlations of such inputs.

f) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

Government Bond Fund S-167G

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

g) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

Interest income on debt securities - included in the change in fair value of such investments and recorded on the accrual basis.

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

Miscellaneous income (loss)

Miscellaneous income (loss) generally includes the changes in foreign exchange rates between trade and settlement dates, foreign exchange rates on bank balances, securities lending income, derivative income, and management fee rebates.

h) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Government Bond Fund S-167G

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

i) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

j) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

k) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

l) Income Allocation

Net gain (loss) on investments, which includes interest income, realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the net asset value (NAV) per unit.

m) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

n) Transaction Costs

Transaction costs, such as brokerage commissions, incurred in the purchase and sale of securities by the Fund are charged to expenses in the year.

Government Bond Fund S-167G

Notes to the Financial Statements

(in Canadian \$ thousands)

3. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Emperor,
- Flex,
- Generations/Mosaic,
- Generations I,
- Generations II,
- Generations Core,
- Prestige/Prestige Plus, and
- Private Collections.

In addition to the Individual units, units are available for:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

Portfolio units are those units owned by the Asset Allocation Funds. Each Portfolio fund is represented by a separate category.

The categories of units, and the various levels within each, are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

4. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

Government Bond Fund S-167G

Notes to the Financial Statements

(in Canadian \$ thousands)

5. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

6. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

7. DERIVATIVE FINANCIAL INSTRUMENTS

Derivative contracts, including forward currency, futures and equity swap contracts, are valued at the gain or loss that would arise as a result of closing the position at the reporting date. Options are recorded at fair value as at the reporting date. The Fund may use derivative contracts to hedge against losses caused by changes in securities prices, interest rates, exchange rates and/or other risks. The Fund may also use derivative contracts for non-hedging purposes in order to invest indirectly in financial markets or to gain exposure to other currencies, provided the use of such derivatives is consistent with the Fund's investment objectives and strategies. Foreign currency risk and exposure may be direct or indirect and can include all or a portion of the currency exposure of an existing investment or group of investments. Any such gain or loss on derivative contracts is recorded as part of net gain (loss) on investments.

As at the reporting date, the unrealized gain (loss) on derivative contracts is reflected on the Statement of Financial Position of the Fund.

The Fund manages derivative credit risk through collateral arrangements where required. The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are implemented by the Fund regarding the acceptability of types of collateral and the valuation parameters. The Fund Manager monitors the value of the collateral and requests additional collateral when needed.

Government Bond Fund S-167G

Notes to the Financial Statements

(in Canadian \$ thousands)

8. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.
- c) The Fund invests in assets or underlying funds managed by Mackenzie Financial Corporation, which operates as Mackenzie Investments. All investment transactions with the corresponding underlying funds are at quoted market prices.

Government Bond Fund S-167G

Supplemental Information (unaudited)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾

For the years ended December 31	2023	2022	2021	2020	2019
Generations/Mosaic	2.75	2.76	2.76	2.75	2.76
Generations I	2.03	2.03	2.03	2.03	2.03
Generations II	2.08	2.10	2.08	2.08	2.09
Generations Core	1.97	1.98	1.98	1.97	1.97
75/75 guarantee policy	1.97	1.98	1.97	1.97	1.97
75/100 guarantee policy	2.03	2.03	2.03	2.03	2.03
100/100 guarantee policy	2.08	2.09	2.08	2.08	2.08
PS1 75/75 guarantee policy	—	—	1.39	1.39	1.40
PS1 75/100 guarantee policy	1.45	1.46	1.45	1.45	1.47

Portfolio Turnover Rate (%) ⁽²⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	92.64	41.24	80.51	100.63	77.09

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
HARBOUR CANADIAN FUND (CI) SF175

December 31, 2023

Independent Auditor's Report

To the Contractholders of Harbour Canadian Fund (CI) SF175 (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

Harbour Canadian Fund (CI) SF175

(in Canadian \$ thousands)

Fund Manager: Canada Life Investment Management Ltd.

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ —	\$ —
Investment income due and accrued	—	—
Due from The Canada Life Assurance Company (note 8)	—	—
Due from brokers	21	19
Due from outside parties	—	—
Investments		
Investment fund units (note 3)	26,293	28,290
Total investments	26,293	28,290
Total assets	\$ 26,314	\$ 28,309
Liabilities		
Overdrafts	\$ 44	\$ 35
Due to The Canada Life Assurance Company (note 8)	32	3
Due to brokers	—	—
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	76	38
Net assets attributable to contractholders	\$ 26,238	\$ 28,271

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 3,296	\$ (1,623)
Miscellaneous income (loss)	—	—
Total income (loss)	3,296	(1,623)
Expenses		
Management fees (note 8)	789	860
Other	79	85
Total expenses	868	945
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 2,428	\$ (2,568)

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year	\$ 28,271	\$ 33,147
Contractholder deposits	263	769
Contractholder withdrawals	(4,724)	(3,077)
Increase (decrease) in net assets from operations attributable to contractholders	2,428	(2,568)
Change in net assets attributable to contractholders	(2,033)	(4,876)
Net assets attributable to contractholders - end of year	\$ 26,238	\$ 28,271

Harbour Canadian Fund (CI) SF175

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 2,428	\$ (2,568)
Adjustments		
Realized (gains) losses	(302)	(2,586)
Unrealized (gains) losses	(1,880)	7,339
Gross proceeds of disposition of investments	5,473	34,307
Gross payments for the purchase of investments	(180)	(31,131)
Distribution income of underlying mutual fund	(1,114)	(3,130)
Change in due from/to The Canada Life Assurance Company	29	(4)
Change in due from/to brokers	(2)	(7)
	<u>4,452</u>	<u>2,220</u>
Financing Activities		
Contractholder deposits	263	769
Contractholder withdrawals	(4,724)	(3,077)
	<u>(4,461)</u>	<u>(2,308)</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	(9)	(88)
Cash, short-term deposits and overdrafts, beginning of year	(35)	53
Cash, short-term deposits and overdrafts, end of year	\$ (44)	\$ (35)

Harbour Canadian Fund (CI) SF175

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units)

As at December 31, 2023

	<u>No. of Units</u>	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units			
Canada Life Canadian Focused Growth Fund Series S *	1,728,426	24,912	26,293
Total Investments		24,912	26,293

Top 25 Holdings

Security Description	% of Total
Cash and short-term deposits	5.96%
Intact Financial Corp.	5.23%
Stantec Inc.	5.18%
CAE Inc.	5.11%
Royal Bank of Canada	4.73%
Premium Brands Holdings Corp.	4.35%
Schneider Electric SE	4.24%
Accenture PLC Class A	4.22%
Boyd Group Services Inc.	4.05%
Dollarama Inc.	3.88%
Aon Corp.	3.82%
Thomson Reuters Corp.	3.78%
Microsoft Corp.	3.38%
Waste Connections Inc.	3.15%
Becton, Dickinson and Co.	2.98%
Synopsys Inc.	2.80%
Roper Technologies Inc.	2.76%
Linde PLC	2.70%
PepsiCo Inc.	2.52%
Nutrien Ltd.	2.50%
S&P Global Inc.	2.40%
ON Semiconductor Corp.	2.26%
Altus Group Ltd.	2.21%
FirstService Corp.	2.14%
Pet Valu Holdings Ltd.	2.03%

*The issuer of this security is a related company to the issuer of the Fund.

Harbour Canadian Fund (CI) SF175

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Net Assets Attributable to Contractholders by Category

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
Generations/Mosaic	310,809	367,181	401,597	467,753	541,679	11,879	12,922	15,356	14,471	16,930
Generations I	63,477	78,261	94,160	107,017	136,978	1,076	1,215	1,583	1,452	1,873
Generations II	23,182	57,540	59,239	70,517	75,325	331	755	844	814	878
Generations Core	119,556	120,826	126,850	132,399	159,852	1,831	1,694	1,921	1,615	1,960
75/75 guarantee policy	74,672	84,882	100,041	106,196	153,472	1,276	1,327	1,690	1,444	2,098
75/100 guarantee policy	219,016	259,868	285,718	276,363	294,458	3,641	3,958	4,710	3,678	3,951
100/100 guarantee policy	65,924	78,394	96,592	117,785	101,596	1,055	1,154	1,545	1,525	1,330
PS1 75/75 guarantee policy	72,156	81,147	80,742	91,459	115,190	1,260	1,291	1,381	1,254	1,580
PS1 75/100 guarantee policy	169,154	189,593	172,434	206,013	115,467	2,882	2,949	2,892	2,775	1,560
PS1 100/100 guarantee policy	25,763	26,347	31,853	13,486	15,021	422	396	517	176	198
PS2 75/75 guarantee policy	6,273	9,729	11,783	5,085	4,090	148	204	259	87	69
PS2 75/100 guarantee policy	15,419	15,606	15,921	17,133	17,790	364	327	351	295	298
PS2 100/100 guarantee policy	1,313	2,239	2,317	1,552	1,621	31	47	51	27	27
PS 75/100 guarantee policy	—	—	—	1,326	1,520	—	—	—	14	17
PPS 75/100 guarantee policy	2,931	2,484	3,395	—	1,569	42	32	47	—	17

Net Assets Attributable to Contractholders Per Unit (note 7)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
Generations/Mosaic	38.22	35.19	38.24	30.94	31.25	3.03	(3.05)
Generations I	16.95	15.53	16.81	13.57	13.68	1.42	(1.28)
Generations II	14.26	13.12	14.25	11.54	11.66	1.14	(1.13)
Generations Core	15.32	14.02	15.15	12.20	12.26	1.30	(1.13)
75/75 guarantee policy	17.08	15.64	16.89	13.60	13.67	1.44	(1.25)
75/100 guarantee policy	16.62	15.23	16.49	13.31	13.42	1.39	(1.26)
100/100 guarantee policy	16.01	14.72	15.99	12.95	13.09	1.29	(1.27)
PS1 75/75 guarantee policy	17.46	15.90	17.11	13.71	13.72	1.56	(1.21)
PS1 75/100 guarantee policy	17.04	15.56	16.77	13.47	13.51	1.48	(1.21)
PS1 100/100 guarantee policy	16.39	15.01	16.23	13.08	13.16	1.38	(1.22)
PS2 75/75 guarantee policy	23.59	20.98	22.01	17.19	16.77	2.61	(1.03)
PS2 75/100 guarantee policy	23.59	20.98	22.01	17.19	16.77	2.61	(1.03)
PS2 100/100 guarantee policy	23.57	20.95	21.99	17.17	16.75	2.62	(1.04)
PS 75/100 guarantee policy	—	—	—	10.89	10.85	—	—
PPS 75/100 guarantee policy	14.35	12.96	13.82	—	10.94	1.39	(0.86)

Harbour Canadian Fund (CI) SF175

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Harbour Canadian Fund (CI) SF175 (the Fund) is offered by The Canada Life Assurance Company (Canada Life or the Company).

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

Harbour Canadian Fund (CI) SF175

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

Harbour Canadian Fund (CI) SF175

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in note 9 on Financial Instrument Risk Management.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

Harbour Canadian Fund (CI) SF175

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Investment Fund Units

Investment fund units are recorded at fair value, which is the closing net asset value (NAV) per unit of the underlying fund.

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Harbour Canadian Fund (CI) SF175

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

Harbour Canadian Fund (CI) SF175

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

k) Income Allocation

Net gain (loss) on investments, which includes realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the NAV per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

3. INVESTMENT FUND UNITS

Investment fund units of the Fund invest solely in underlying mutual funds.

As the Fund's assets are invested in underlying investment funds, the Fund indirectly pays management fees and operating expenses of the underlying funds. All such charges are included in the management expense ratio of the segregated funds.

Distributions of income from the underlying investment funds are shown as net gain (loss) on investments on the Statement of Comprehensive Income.

Investment activity of the underlying fund indirectly exposes the Fund to financial risk. See note 9 on Financial Instrument Risk Management.

Investments in unconsolidated structured entities

The Company has determined that the Fund meets the definition of an investment entity and as such, accounts for its holdings in unlisted open-ended investment funds at FVTPL. The Company has concluded that the underlying funds in which the Fund invests, but do not consolidate, meet the definition of structured entities because: (i) the voting rights in the underlying funds are not dominant rights in deciding who controls them; (ii) each underlying fund's activities are restricted by its prospectus; and (iii) the underlying funds have narrow and well-defined objectives to provide investment opportunities to investors.

Harbour Canadian Fund (CI) SF175

Notes to the Financial Statements

(in Canadian \$ thousands)

4. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Emperor,
- Flex,
- Generations/Mosaic,
- Generations I,
- Generations II,
- Generations Core,
- Prestige/Prestige Plus, and
- Private Collections.

In addition to the Individual units, units are available for:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

The categories of units are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

Harbour Canadian Fund (CI) SF175

Notes to the Financial Statements

(in Canadian \$ thousands)

5. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

6. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

7. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

Harbour Canadian Fund (CI) SF175

Notes to the Financial Statements

(in Canadian \$ thousands)

8. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.

Harbour Canadian Fund (CI) SF175

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT

a) Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023. The following sections describe the significant risks that are relevant to the Fund.

To assist with managing risk, the Fund Manager maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and securities regulations. Financial statements for the underlying funds, which include discussions about their respective risk exposure, are available upon request.

b) Liquidity Risk

Liquidity risk arises when a Fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units. As the Fund primarily invests all of its net assets in the underlying funds, liquidity risk is mitigated by the underlying funds' ability to meet the obligation to fund daily cash redemptions of their redeemable units/shares. In addition, the underlying funds retain sufficient cash and cash equivalent positions to maintain adequate liquidity.

c) Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The Fund's investments in all underlying funds are denominated in Canadian dollars. However, the Fund is indirectly exposed to currency risk to the extent that the investments of the underlying funds are denominated or traded in a foreign currency.

d) Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund does not directly hold any interest-bearing financial instruments. The Fund is indirectly exposed to the risk that the value of interest-bearing financial instruments held by the underlying funds will fluctuate due to changes in the prevailing levels of market interest rates.

e) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund has no direct exposure to credit risk. The greatest indirect concentration of credit risk is in debt securities, such as bonds, held by underlying funds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer.

f) Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. For the instruments held by the Fund, maximum risk of loss is equivalent to their fair value. The Fund Manager moderates this risk through a careful selection of underlying funds within the parameters of the investment strategy.

g) Fair Value Classification

Investment Fund Units are recorded at fair value, which is the closing NAV per unit of the underlying fund. This valuation is considered to be a Level 1 classification.

Harbour Canadian Fund (CI) SF175

Supplemental Information (unaudited)

PSThe following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾

For the years ended December 31	2023	2022	2021	2020	2019
Generations/Mosaic	3.51	3.50	3.53	3.52	3.53
Generations I	3.02	3.12	3.31	3.30	3.31
Generations II	3.42	3.47	3.58	3.57	3.58
Generations Core	2.91	2.94	3.03	3.03	3.03
75/75 guarantee policy	2.91	2.94	3.03	3.03	3.03
75/100 guarantee policy	3.02	3.12	3.30	3.30	3.31
100/100 guarantee policy	3.42	3.47	3.58	3.57	3.58
PS1 75/75 guarantee policy	2.45	2.48	2.58	2.58	2.58
PS1 75/100 guarantee policy	2.67	2.69	2.80	2.78	2.80
PS1 100/100 guarantee policy	3.00	3.04	3.13	3.12	3.13
PS 75/100 guarantee policy	—	—	—	2.21	2.20
PPS 75/100 guarantee policy	1.57	1.61	1.70	—	1.71

Portfolio Turnover Rate (%) ⁽²⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	0.64	103.43	15.27	9.30	2.42

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
TRUE NORTH FUND (FIDELITY) SF176

December 31, 2023

Independent Auditor's Report

To the Contractholders of True North Fund (Fidelity) SF176 (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

True North Fund (Fidelity) SF176

(in Canadian \$ thousands)

Fund Manager: Fidelity Investments Canada ULC

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ 48	\$ 425
Investment income due and accrued	—	—
Due from The Canada Life Assurance Company (note 8)	—	1
Due from brokers	119	170
Due from outside parties	—	—
Investments		
Investment fund units (note 3)	168,089	158,884
Total investments	168,089	158,884
Total assets	\$ 168,256	\$ 159,480
Liabilities		
Overdrafts	\$ —	\$ —
Due to The Canada Life Assurance Company (note 8)	118	—
Due to brokers	—	—
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	118	—
Net assets attributable to contractholders	\$ 168,138	\$ 159,480

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 19,482	\$ (5,459)
Miscellaneous income (loss)	—	—
Total income (loss)	19,482	(5,459)
Expenses		
Management fees (note 8)	4,702	4,494
Other	509	474
Total expenses	5,211	4,968
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 14,271	\$ (10,427)

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year		
	\$ 159,480	\$ 152,631
Contractholder deposits	14,480	31,628
Contractholder withdrawals	(20,093)	(14,352)
Increase (decrease) in net assets from operations attributable to contractholders	14,271	(10,427)
Change in net assets attributable to contractholders	8,658	6,849
Net assets attributable to contractholders - end of year	\$ 168,138	\$ 159,480

True North Fund (Fidelity) SF176

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 14,271	\$ (10,427)
Adjustments		
Realized (gains) losses	(4,987)	(3,434)
Unrealized (gains) losses	(4,758)	18,092
Gross proceeds of disposition of investments	20,251	13,089
Gross payments for the purchase of investments	(9,974)	(24,877)
Distribution income of underlying mutual fund	(9,737)	(9,199)
Change in due from/to The Canada Life Assurance Company	119	(17)
Change in due from/to brokers	51	(179)
	<u>5,236</u>	<u>(16,952)</u>
Financing Activities		
Contractholder deposits	14,480	31,628
Contractholder withdrawals	(20,093)	(14,352)
	<u>(5,613)</u>	<u>17,276</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	(377)	324
Cash, short-term deposits and overdrafts, beginning of year	425	101
Cash, short-term deposits and overdrafts, end of year	\$ 48	\$ 425

True North Fund (Fidelity) SF176

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units)

As at December 31, 2023

	<u>No. of Units</u>	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units			
Fidelity True North Fund Series O	2,704,297	129,741	168,089
Total Investments		129,741	168,089

Top 25 Holdings

Security Description	% of Total
Canadian National Railway Co.	4.94%
Royal Bank of Canada	4.94%
Rogers Communications Inc. Class B non-voting	3.86%
The Toronto-Dominion Bank	3.83%
Canadian Natural Resources Ltd.	3.69%
Alimentation Couche-Tard Inc.	3.47%
Constellation Software Inc.	2.86%
Agnico Eagle Mines Ltd.	2.81%
Intact Financial Corp.	2.69%
TMX Group Ltd.	2.52%
SNC-Lavalin Group Inc.	2.51%
Fairfax Financial Holdings Ltd. sub. voting	2.50%
Dollarama Inc.	2.23%
CGI Group Inc. Class A sub. voting	2.09%
George Weston Ltd.	1.97%
Franco-Nevada Corp.	1.93%
Shopify Inc.	1.87%
Metro Inc.	1.72%
Emera Inc.	1.68%
Boyd Group Services Inc.	1.65%
Thomson Reuters Corp.	1.62%
Enbridge Inc.	1.55%
Fortis Inc.	1.54%
Canadian Pacific Kansas City Ltd.	1.48%
Restaurant Brands International Inc.	1.32%

True North Fund (Fidelity) SF176

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Net Assets Attributable to Contractholders by Category

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
Generations/Mosaic	678,516	793,416	879,969	981,028	1,142,905	37,428	40,269	47,793	43,797	46,950
Generations I	267,582	309,446	339,606	327,805	378,207	6,834	7,264	8,521	6,753	7,162
Generations II	70,609	89,841	95,837	114,439	125,100	1,363	1,598	1,827	1,796	1,810
Generations Core	132,626	142,749	154,350	179,631	215,165	2,770	2,731	3,146	2,996	3,288
75/75 guarantee policy	600,548	560,592	430,660	311,894	315,980	15,538	13,287	10,875	6,445	5,982
75/100 guarantee policy	1,577,650	1,587,263	1,297,226	986,928	1,038,958	39,472	36,499	31,885	19,918	19,273
100/100 guarantee policy	263,599	239,512	244,144	233,579	237,591	6,341	5,310	5,801	4,570	4,284
PS1 75/75 guarantee policy	466,882	436,373	374,101	178,673	111,119	12,003	10,235	9,311	3,624	2,057
PS1 75/100 guarantee policy	1,395,273	1,384,987	1,026,281	549,706	491,199	35,023	31,788	25,049	10,960	8,956
PS1 100/100 guarantee policy	143,753	139,462	106,393	92,977	77,675	3,466	3,085	2,511	1,798	1,378
PS2 75/75 guarantee policy	53,851	52,400	55,423	50,335	45,903	1,887	1,631	1,783	1,285	1,041
PS2 75/100 guarantee policy	72,586	77,124	51,631	36,035	33,318	2,539	2,397	1,658	919	755
PS2 100/100 guarantee policy	9,877	11,144	8,975	—	—	344	344	287	—	—
PS 75/75 guarantee policy	8,540	7,757	3,268	2,193	824	132	109	48	26	9
PS 75/100 guarantee policy	92,297	97,520	50,182	10,758	2,554	1,401	1,346	732	127	28
PS 100/100 guarantee policy	21,333	21,550	23,184	—	—	317	292	333	—	—
PPS 75/75 guarantee policy	10,000	12,180	7,622	—	—	157	173	114	—	—
PPS 75/100 guarantee policy	61,453	58,224	23,914	2,568	—	959	822	355	31	—
PPS 100/100 guarantee policy	10,773	21,696	41,230	—	—	164	300	602	—	—

Net Assets Attributable to Contractholders Per Unit (note 7)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
Generations/Mosaic	55.16	50.75	54.31	44.64	41.08	4.41	(3.56)
Generations I	25.54	23.47	25.09	20.60	18.94	2.07	(1.62)
Generations II	19.30	17.78	19.06	15.69	14.47	1.52	(1.28)
Generations Core	20.88	19.13	20.38	16.68	15.28	1.75	(1.25)
75/75 guarantee policy	25.87	23.70	25.25	20.66	18.93	2.17	(1.55)
75/100 guarantee policy	25.02	23.00	24.58	20.18	18.55	2.02	(1.58)
100/100 guarantee policy	24.05	22.17	23.76	19.56	18.03	1.88	(1.59)
PS1 75/75 guarantee policy	25.71	23.46	24.89	20.29	18.51	2.25	(1.43)
PS1 75/100 guarantee policy	25.10	22.95	24.41	19.94	18.23	2.15	(1.46)
PS1 100/100 guarantee policy	24.11	22.12	23.60	19.34	17.75	1.99	(1.48)
PS2 75/75 guarantee policy	35.04	31.13	32.17	25.53	22.69	3.91	(1.04)
PS2 75/100 guarantee policy	34.98	31.08	32.12	25.49	22.65	3.90	(1.04)
PS2 100/100 guarantee policy	34.80	30.92	31.95	—	—	3.88	(1.03)
PS 75/75 guarantee policy	15.46	14.00	14.76	11.94	10.82	1.46	(0.76)
PS 75/100 guarantee policy	15.18	13.80	14.59	11.85	10.77	1.38	(0.79)
PS 100/100 guarantee policy	14.88	13.56	14.38	—	—	1.32	(0.82)
PPS 75/75 guarantee policy	15.73	14.20	14.90	—	—	1.53	(0.70)
PPS 75/100 guarantee policy	15.61	14.12	14.85	12.00	—	1.49	(0.73)
PPS 100/100 guarantee policy	15.26	13.84	14.61	—	—	1.42	(0.77)

True North Fund (Fidelity) SF176

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The True North Fund (Fidelity) SF176 (the Fund) is offered by The Canada Life Assurance Company (Canada Life or the Company).

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

True North Fund (Fidelity) SF176

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

True North Fund (Fidelity) SF176

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in note 9 on Financial Instrument Risk Management.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

True North Fund (Fidelity) SF176

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Investment Fund Units

Investment fund units are recorded at fair value, which is the closing net asset value (NAV) per unit of the underlying fund.

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

True North Fund (Fidelity) SF176

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

True North Fund (Fidelity) SF176

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

k) Income Allocation

Net gain (loss) on investments, which includes realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the NAV per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

3. INVESTMENT FUND UNITS

Investment fund units of the Fund invest solely in underlying mutual funds.

As the Fund's assets are invested in underlying investment funds, the Fund indirectly pays management fees and operating expenses of the underlying funds. All such charges are included in the management expense ratio of the segregated funds.

Distributions of income from the underlying investment funds are shown as net gain (loss) on investments on the Statement of Comprehensive Income.

Investment activity of the underlying fund indirectly exposes the Fund to financial risk. See note 9 on Financial Instrument Risk Management.

Investments in unconsolidated structured entities

The Company has determined that the Fund meets the definition of an investment entity and as such, accounts for its holdings in unlisted open-ended investment funds at FVTPL. The Company has concluded that the underlying funds in which the Fund invests, but do not consolidate, meet the definition of structured entities because: (i) the voting rights in the underlying funds are not dominant rights in deciding who controls them; (ii) each underlying fund's activities are restricted by its prospectus; and (iii) the underlying funds have narrow and well-defined objectives to provide investment opportunities to investors.

True North Fund (Fidelity) SF176

Notes to the Financial Statements

(in Canadian \$ thousands)

4. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Emperor,
- Flex,
- Generations/Mosaic,
- Generations I,
- Generations II,
- Generations Core,
- Prestige/Prestige Plus, and
- Private Collections.

In addition to the Individual units, units are available for:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

The categories of units, and the various levels within each, are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

True North Fund (Fidelity) SF176

Notes to the Financial Statements

(in Canadian \$ thousands)

5. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

6. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

7. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

True North Fund (Fidelity) SF176

Notes to the Financial Statements

(in Canadian \$ thousands)

8. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.

True North Fund (Fidelity) SF176

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT

a) Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023. The following sections describe the significant risks that are relevant to the Fund.

To assist with managing risk, the Fund Manager maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and securities regulations. Financial statements for the underlying funds, which include discussions about their respective risk exposure, are available upon request.

b) Liquidity Risk

Liquidity risk arises when a Fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units. As the Fund primarily invests all of its net assets in the underlying funds, liquidity risk is mitigated by the underlying funds' ability to meet the obligation to fund daily cash redemptions of their redeemable units/shares. In addition, the underlying funds retain sufficient cash and cash equivalent positions to maintain adequate liquidity.

c) Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The Fund's investments in all underlying funds are denominated in Canadian dollars. However, the Fund is indirectly exposed to currency risk to the extent that the investments of the underlying funds are denominated or traded in a foreign currency.

d) Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund does not directly hold any interest-bearing financial instruments. The Fund is indirectly exposed to the risk that the value of interest-bearing financial instruments held by the underlying funds will fluctuate due to changes in the prevailing levels of market interest rates.

e) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund has no direct exposure to credit risk. The greatest indirect concentration of credit risk is in debt securities, such as bonds, held by underlying funds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer.

f) Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. For the instruments held by the Fund, maximum risk of loss is equivalent to their fair value. The Fund Manager moderates this risk through a careful selection of underlying funds within the parameters of the investment strategy.

g) Fair Value Classification

Investment Fund Units are recorded at fair value, which is the closing NAV per unit of the underlying fund. This valuation is considered to be a Level 1 classification.

True North Fund (Fidelity) SF176

Supplemental Information (unaudited)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾

For the years ended December 31	2023	2022	2021	2020	2019
Generations/Mosaic	3.50	3.49	3.49	3.49	3.50
Generations I	3.39	3.38	3.38	3.38	3.39
Generations II	3.66	3.66	3.66	3.66	3.67
Generations Core	3.06	3.05	3.05	3.05	3.06
75/75 guarantee policy	3.06	3.04	3.04	3.05	3.06
75/100 guarantee policy	3.39	3.38	3.37	3.38	3.39
100/100 guarantee policy	3.66	3.66	3.65	3.66	3.67
PS1 75/75 guarantee policy	2.65	2.64	2.63	2.64	2.65
PS1 75/100 guarantee policy	2.87	2.86	2.85	2.87	2.87
PS1 100/100 guarantee policy	3.21	3.19	3.19	3.20	3.21
PS 75/75 guarantee policy	1.95	1.93	1.94	1.94	1.93
PS 75/100 guarantee policy	2.28	2.27	2.28	2.27	2.28
PS 100/100 guarantee policy	2.56	2.56	2.56	—	—
PPS 75/75 guarantee policy	1.55	1.54	1.55	—	—
PPS 75/100 guarantee policy	1.77	1.75	1.77	1.75	—
PPS 100/100 guarantee policy	2.10	2.10	2.10	—	—

Portfolio Turnover Rate (%) ⁽²⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	5.71	8.16	10.05	4.65	2.52

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
CANADIAN EQUITY FUND (HOWSON TATTERSALL) SF177

December 31, 2023

Independent Auditor's Report

To the Contractholders of Canadian Equity Fund (Howson Tattersall) SF177 (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

Canadian Equity Fund (Howson Tattersall) SF177

(in Canadian \$ thousands)

Fund Manager: Mackenzie Investments

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ —	\$ —
Investment income due and accrued	—	—
Due from The Canada Life Assurance Company (note 8)	—	—
Due from brokers	1	3
Due from outside parties	—	—
Investments		
Investment fund units (note 3)	8,630	10,527
Total investments	8,630	10,527
Total assets	\$ 8,631	\$ 10,530
Liabilities		
Overdrafts	\$ 1	\$ 3
Due to The Canada Life Assurance Company (note 8)	11	14
Due to brokers	—	—
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	12	17
Net assets attributable to contractholders	\$ 8,619	\$ 10,513

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 901	\$ 5
Miscellaneous income (loss)	—	—
Total income (loss)	901	5
Expenses		
Management fees (note 8)	280	335
Other	31	38
Total expenses	311	373
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 590	\$ (368)

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year	\$ 10,513	\$ 11,843
Contractholder deposits	46	161
Contractholder withdrawals	(2,530)	(1,123)
Increase (decrease) in net assets from operations attributable to contractholders	590	(368)
Change in net assets attributable to contractholders	(1,894)	(1,330)
Net assets attributable to contractholders - end of year	\$ 8,619	\$ 10,513

Canadian Equity Fund (Howson Tattersall) SF177

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 590	\$ (368)
Adjustments		
Realized (gains) losses	(368)	(279)
Unrealized (gains) losses	(55)	899
Gross proceeds of disposition of investments	2,829	1,725
Gross payments for the purchase of investments	(31)	(400)
Distribution income of underlying mutual fund	(478)	(625)
Change in due from/to The Canada Life Assurance Company	(3)	11
Change in due from/to brokers	2	7
	<u>2,486</u>	<u>970</u>
Financing Activities		
Contractholder deposits	46	161
Contractholder withdrawals	(2,530)	(1,123)
	<u>(2,484)</u>	<u>(962)</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	2	8
Cash, short-term deposits and overdrafts, beginning of year	<u>(3)</u>	<u>(11)</u>
Cash, short-term deposits and overdrafts, end of year	<u>\$ (1)</u>	<u>\$ (3)</u>

Canadian Equity Fund (Howson Tattersall) SF177

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units)

As at December 31, 2023

	<u>No. of Units</u>	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units			
Howson Tattersall Canadian Value Equity Pool *	517,325	7,509	8,630
Total Investments		7,509	8,630

Top 25 Holdings

Security Description	% of Total
Royal Bank of Canada	7.25%
The Toronto-Dominion Bank	6.40%
Bank of Montreal	4.32%
Canadian Natural Resources Ltd.	4.19%
Canadian Pacific Kansas City Ltd.	4.03%
Canadian National Railway Co.	3.84%
Alimentation Couche-Tard Inc.	3.16%
CGI Group Inc. Class A sub. voting	2.99%
Suncor Energy Inc.	2.88%
The Bank of Nova Scotia	2.74%
Sun Life Financial Inc.	2.62%
Brookfield Corp.	2.33%
Manulife Financial Corp.	2.29%
Agnico Eagle Mines Ltd.	2.24%
TC Energy Corp.	2.21%
Loblaw Companies Ltd.	2.15%
CCL Industries Inc. Class B non-voting	1.94%
Boardwalk REIT	1.93%
Intact Financial Corp.	1.87%
Enbridge Inc.	1.85%
Onex Corp. sub. voting	1.67%
iA Financial Corp. Inc.	1.64%
Dollarama Inc.	1.54%
Linamar Corp.	1.51%
Canadian Tire Corp. Ltd. Class A non-voting	1.44%

*The issuer of this security is a related company to the issuer of the Fund.

Canadian Equity Fund (Howson Tattersall) SF177

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Net Assets Attributable to Contractholders by Category

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
Generations/Mosaic	65,093	82,166	85,453	91,100	110,501	2,068	2,462	2,658	2,279	2,692
Generations I	24,891	38,367	37,799	39,669	49,080	525	763	778	656	789
Generations II	9,466	11,053	11,739	14,697	30,416	181	200	221	223	449
Generations Core	12,126	12,146	14,713	15,397	16,232	253	238	297	248	253
75/75 guarantee policy	23,520	27,199	31,902	34,863	46,178	539	585	708	618	792
75/100 guarantee policy	85,384	104,312	124,055	146,093	230,294	1,883	2,166	2,669	2,524	3,868
100/100 guarantee policy	53,736	91,623	103,082	116,882	138,953	1,138	1,833	2,142	1,956	2,267
PS1 75/75 guarantee policy	25,713	28,459	25,728	24,860	25,347	609	629	584	449	441
PS1 75/100 guarantee policy	47,881	54,315	58,492	57,098	64,245	1,106	1,173	1,300	1,012	1,099
PS1 100/100 guarantee policy	2,026	2,445	2,718	3,004	3,559	45	51	59	52	59
PS2 75/75 guarantee policy	2,378	2,430	2,483	2,536	2,594	76	70	72	58	55
PS2 75/100 guarantee policy	907	929	952	976	9,769	29	27	27	22	206
PS2 100/100 guarantee policy	5,240	10,936	11,324	11,728	12,171	167	316	328	263	257

Net Assets Attributable to Contractholders Per Unit (note 7)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
Generations/Mosaic	31.77	29.97	31.10	25.02	24.36	1.80	(1.13)
Generations I	21.11	19.88	20.60	16.54	16.08	1.23	(0.72)
Generations II	19.17	18.11	18.81	15.15	14.76	1.06	(0.70)
Generations Core	20.87	19.56	20.18	16.13	15.61	1.31	(0.62)
75/75 guarantee policy	22.94	21.50	22.18	17.73	17.16	1.44	(0.68)
75/100 guarantee policy	22.05	20.77	21.52	17.28	16.79	1.28	(0.75)
100/100 guarantee policy	21.18	20.00	20.78	16.74	16.31	1.18	(0.78)
PS1 75/75 guarantee policy	23.68	22.10	22.69	18.06	17.40	1.58	(0.59)
PS1 75/100 guarantee policy	23.09	21.59	22.22	17.72	17.11	1.50	(0.63)
PS1 100/100 guarantee policy	22.21	20.84	21.52	17.22	16.68	1.37	(0.68)
PS2 75/75 guarantee policy	31.81	28.93	28.95	22.46	21.09	2.88	(0.02)
PS2 75/100 guarantee policy	31.82	28.93	28.95	22.46	21.09	2.89	(0.02)
PS2 100/100 guarantee policy	31.83	28.95	28.96	22.47	21.10	2.88	(0.01)

Canadian Equity Fund (Howson Tattersall) SF177

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Canadian Equity Fund (Howson Tattersall) SF177 (the Fund) is offered by The Canada Life Assurance Company (Canada Life or the Company).

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

Canadian Equity Fund (Howson Tattersall) SF177

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

Canadian Equity Fund (Howson Tattersall) SF177

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in note 9 on Financial Instrument Risk Management.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

Canadian Equity Fund (Howson Tattersall) SF177

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Investment Fund Units

Investment fund units are recorded at fair value, which is the closing net asset value (NAV) per unit of the underlying fund.

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Canadian Equity Fund (Howson Tattersall) SF177

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

Canadian Equity Fund (Howson Tattersall) SF177

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

k) Income Allocation

Net gain (loss) on investments, which includes realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the NAV per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

3. INVESTMENT FUND UNITS

Investment fund units of the Fund invest solely in underlying mutual funds.

As the Fund's assets are invested in underlying investment funds, the Fund indirectly pays management fees and operating expenses of the underlying funds. All such charges are included in the management expense ratio of the segregated funds.

Distributions of income from the underlying investment funds are shown as net gain (loss) on investments on the Statement of Comprehensive Income.

Investment activity of the underlying fund indirectly exposes the Fund to financial risk. See note 9 on Financial Instrument Risk Management.

Investments in unconsolidated structured entities

The Company has determined that the Fund meets the definition of an investment entity and as such, accounts for its holdings in unlisted open-ended investment funds at FVTPL. The Company has concluded that the underlying funds in which the Fund invests, but do not consolidate, meet the definition of structured entities because: (i) the voting rights in the underlying funds are not dominant rights in deciding who controls them; (ii) each underlying fund's activities are restricted by its prospectus; and (iii) the underlying funds have narrow and well-defined objectives to provide investment opportunities to investors.

Canadian Equity Fund (Howson Tattersall) SF177

Notes to the Financial Statements

(in Canadian \$ thousands)

4. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Emperor,
- Flex,
- Generations/Mosaic,
- Generations I,
- Generations II,
- Generations Core,
- Prestige/Prestige Plus, and
- Private Collections.

In addition to the Individual units, units are available for:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

The categories of units are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

Canadian Equity Fund (Howson Tattersall) SF177

Notes to the Financial Statements

(in Canadian \$ thousands)

5. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

6. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

7. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

Canadian Equity Fund (Howson Tattersall) SF177

Notes to the Financial Statements

(in Canadian \$ thousands)

8. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.
- c) The Fund invests in assets or underlying funds managed by Mackenzie Financial Corporation, which operates as Mackenzie Investments. All investment transactions with the corresponding underlying funds are at quoted market prices.

Canadian Equity Fund (Howson Tattersall) SF177

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT

a) Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023. The following sections describe the significant risks that are relevant to the Fund.

To assist with managing risk, the Fund Manager maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and securities regulations. Financial statements for the underlying funds, which include discussions about their respective risk exposure, are available upon request.

b) Liquidity Risk

Liquidity risk arises when a Fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units. As the Fund primarily invests all of its net assets in the underlying funds, liquidity risk is mitigated by the underlying funds' ability to meet the obligation to fund daily cash redemptions of their redeemable units/shares. In addition, the underlying funds retain sufficient cash and cash equivalent positions to maintain adequate liquidity.

c) Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The Fund's investments in all underlying funds are denominated in Canadian dollars. However, the Fund is indirectly exposed to currency risk to the extent that the investments of the underlying funds are denominated or traded in a foreign currency.

d) Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund does not directly hold any interest-bearing financial instruments. The Fund is indirectly exposed to the risk that the value of interest-bearing financial instruments held by the underlying funds will fluctuate due to changes in the prevailing levels of market interest rates.

e) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund has no direct exposure to credit risk. The greatest indirect concentration of credit risk is in debt securities, such as bonds, held by underlying funds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer.

f) Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. For the instruments held by the Fund, maximum risk of loss is equivalent to their fair value. The Fund Manager moderates this risk through a careful selection of underlying funds within the parameters of the investment strategy.

g) Fair Value Classification

Investment Fund Units are recorded at fair value, which is the closing NAV per unit of the underlying fund. This valuation is considered to be a Level 1 classification.

Canadian Equity Fund (Howson Tattersall) SF177

Supplemental Information *(unaudited)*

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾

For the years ended December 31	2023	2022	2021	2020	2019
Generations/Mosaic	3.66	3.66	3.65	3.62	3.60
Generations I	3.49	3.49	3.48	3.45	3.43
Generations II	3.77	3.77	3.76	3.74	3.71
Generations Core	3.05	3.05	3.03	3.00	2.99
75/75 guarantee policy	3.05	3.05	3.04	3.01	2.99
75/100 guarantee policy	3.49	3.50	3.48	3.45	3.43
100/100 guarantee policy	3.77	3.77	3.76	3.72	3.71
PS1 75/75 guarantee policy	2.59	2.58	2.57	2.54	2.53
PS1 75/100 guarantee policy	2.81	2.81	2.79	2.77	2.75
PS1 100/100 guarantee policy	3.14	3.14	3.13	3.10	3.08

Portfolio Turnover Rate (%) ⁽²⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	0.32	3.51	0.93	4.29	22.59

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

Financial Statements of

**THE CANADA LIFE ASSURANCE COMPANY
U.S. VALUE FUND S-178LL**

December 31, 2023

Independent Auditor's Report

To the Contractholders of U.S. Value Fund S-178LL (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

U.S. Value Fund S-178LL

(in Canadian \$ thousands)

Fund Manager: Mackenzie Investments

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ 2,515	\$ 2,048
Investment income due and accrued	169	220
Due from The Canada Life Assurance Company (note 7)	—	—
Due from brokers	775	586
Due from outside parties	—	—
Investments		
Bonds	—	—
Stocks	163,614	146,516
Investment fund units	—	—
Total investments	163,614	146,516
Total assets	\$ 167,073	\$ 149,370
Liabilities		
Overdrafts	\$ 22	\$ —
Due to The Canada Life Assurance Company (note 7)	11	25
Due to brokers	450	366
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	483	391
Net assets attributable to contractholders	\$ 166,590	\$ 148,979

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 37,982	\$ (1,832)
Miscellaneous income (loss)	2	73
Total income (loss)	37,984	(1,759)
Expenses		
Management fees (note 7)	519	520
Transaction costs	107	95
Withholding taxes	364	387
Other	50	50
Total expenses	1,040	1,052
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 36,944	\$ (2,811)

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year	\$ 148,979	\$ 151,494
Contractholder deposits	5,426	12,045
Contractholder withdrawals	(24,759)	(11,749)
Increase (decrease) in net assets from operations attributable to contractholders	36,944	(2,811)
Change in net assets attributable to contractholders	17,611	(2,515)
Net assets attributable to contractholders - end of year	\$ 166,590	\$ 148,979

U.S. Value Fund S-178LL

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 36,944	\$ (2,811)
Adjustments		
Realized (gains) losses	(20,403)	(9,100)
Unrealized (gains) losses	(14,704)	14,181
Gross proceeds of disposition of investments	173,001	157,807
Gross payments for the purchase of investments	(154,992)	(161,173)
Change in investment income due and accrued	51	(71)
Change in due from/to The Canada Life Assurance Company	(14)	195
Change in due from/to brokers	(105)	(220)
Change in due from/to outside parties	—	—
	<u>19,778</u>	<u>(1,192)</u>
Financing Activities		
Contractholder deposits	5,426	12,045
Contractholder withdrawals	(24,759)	(11,749)
	<u>(19,333)</u>	<u>296</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	445	(896)
Cash, short-term deposits and overdrafts, beginning of year	2,048	2,944
Cash, short-term deposits and overdrafts, end of year	\$ 2,493	\$ 2,048
Supplementary cash flow information		
Dividend income received	\$ 2,810	\$ 3,142

U.S. Value Fund S-178LL

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or Par Value	Average Cost	Fair Value
United States Common Stock			
Communication Services			
Alphabet Inc. Class A	6,885	1,083	1,274
Comcast Corp. Class A	25,727	1,544	1,495
Frontier Communications Parent Inc.	32,712	665	1,098
Meta Platforms Inc.	3,172	632	1,488
News Corp. Class A	36,749	808	1,195
Verizon Communications Inc.	11,038	505	551
ZoomInfo Technologies Inc.	2,702	52	66
Consumer Discretionary			
Allison Transmission Holdings Inc.	9,302	697	717
Amazon.com Inc.	683	86	138
Booking Holdings Inc.	316	882	1,485
Expedia Group Inc.	5,824	1,049	1,171
Meritage Homes Corp.	2,085	319	481
Nike Inc. Class B	1,865	252	268
PulteGroup Inc.	11,017	686	1,507
PVH Corp.	5,302	540	858
Target Corp.	3,206	596	605
Taylor Morrison Home Corp.	14,340	716	1,014
The Kraft Heinz Co.	22,561	1,089	1,105
Toll Brothers Inc.	8,395	849	1,143
Consumer Staples			
Colgate Palmolive Co.	13,572	1,335	1,433
Costco Wholesale Corp.	603	529	527
CVS Health Corp.	21,702	1,922	2,271
General Mills Inc.	18,275	1,624	1,577
Maplebear Inc.	14,264	482	444
PepsiCo Inc.	8,416	1,875	1,894
The Kroger Co.	25,562	1,528	1,548
The Procter & Gamble Co.	15,279	2,916	2,967
US Foods Holding Corp.	17,281	833	1,040
Walmart Inc.	15,836	3,295	3,308
Energy			
EQT Corp.	20,891	874	1,070
Exxon Mobil Corp.	3,831	525	508

U.S. Value Fund S-178LL

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or <u>Par Value</u>	Average <u>Cost</u>	Fair <u>Value</u>
United States Common Stock (continued)			
Energy (continued)			
Kinder Morgan Inc.	12,860	304	301
Marathon Petroleum Corp.	6,110	1,260	1,201
Ovintiv Inc.	17,023	1,062	991
PBF Energy Inc.	20,963	996	1,221
SM Energy Co.	21,099	1,098	1,082
Valero Energy Corp.	5,151	899	887
Financials			
Bank of America Corp.	79,219	3,490	3,534
Berkshire Hathaway Inc. Class B	7,976	2,595	3,770
BlackRock Inc.	496	537	534
Brixmor Property Group Inc. REIT	28,186	809	869
Capital One Financial Corp.	9,732	1,620	1,691
Citigroup Inc.	10,191	643	695
CME Group Inc.	6,732	1,652	1,879
Corebridge Financial Inc.	23,904	529	686
Intercontinental Exchange Inc.	8,109	1,255	1,380
JPMorgan Chase & Co.	26,104	4,405	5,885
KeyCorp	81,008	1,093	1,546
MGIC Investment Corp.	37,284	638	953
S&P Global Inc.	463	216	270
Synchrony Financial	32,101	1,439	1,624
The Allstate Corp.	9,033	1,249	1,675
The Goldman Sachs Group Inc.	4,957	2,177	2,534
The Travelers Companies Inc.	6,400	1,571	1,615
Wells Fargo & Co.	38,974	2,297	2,542
Health Care			
Agilent Technologies Inc.	2,832	520	522
Biogen Inc.	2,864	957	982
Bristol-Myers Squibb Co.	30,106	2,066	2,047
Cardinal Health Inc.	11,508	1,261	1,537
Centene Corp.	15,787	1,685	1,552
Doximity Inc.	14,044	496	522
Elevance Health Inc.	1,127	706	704
Envista Holdings Corp.	31,844	1,031	1,015
Exelixis Inc.	7,978	249	254

U.S. Value Fund S-178LL

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or <u>Par Value</u>	Average <u>Cost</u>	Fair <u>Value</u>
United States Common Stock (continued)			
Health Care (continued)			
Gilead Sciences Inc.	10,102	1,082	1,084
Humana Inc.	2,655	1,742	1,611
Incyte Corp.	7,826	709	651
Johnson & Johnson Inc.	16,264	3,393	3,378
McKesson Corp.	870	516	534
Merck & Co. Inc.	7,096	1,003	1,025
Moderna Inc.	7,680	881	1,012
Pfizer Inc.	69,367	2,490	2,646
ResMed Inc.	2,215	502	505
Tenet Healthcare Corp.	2,032	151	203
The Cigna Group	816	318	324
UnitedHealth Group Inc.	4,399	2,765	3,069
Vertex Pharmaceuticals Inc.	797	431	430
Viatis Inc.	88,834	1,210	1,275
Industrials			
Builders FirstSource Inc.	5,266	602	1,165
Core & Main Inc.	17,898	919	958
Danaher Corp.	1,041	318	319
Delta Air Lines Inc.	7,404	405	395
Dun & Bradstreet Holdings Inc.	44,676	652	693
FedEx Corp.	4,851	1,718	1,626
General Electric Co.	13,112	1,183	2,217
Lockheed Martin Corp.	1,429	811	858
Manpower Inc.	2,275	258	240
Owens Corning	5,057	942	993
RTX Corp.	21,057	2,312	2,348
Schneider National Inc.	5,154	161	174
Textron Inc.	13,127	1,270	1,399
The Boeing Co.	6,311	1,200	2,180
TransUnion LLC	13,819	913	1,258
United Airlines Holdings Inc.	23,312	1,267	1,274
United Rentals Inc.	1,924	831	1,462
Wesco International Incorporated	2,744	494	632
Information Technology			
Adobe Inc.	717	350	567

U.S. Value Fund S-178LL

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or Par Value	Average Cost	Fair Value
United States Common Stock (continued)			
Information Technology (continued)			
Applied Materials Inc.	6,009	1,072	1,290
Autodesk Inc.	2,664	723	859
Cirrus Logic Inc.	4,927	461	543
Cisco Systems Inc.	23,399	1,440	1,566
Dropbox Inc.	16,494	502	644
Hewlett-Packard Enterprise Co.	65,380	1,192	1,471
Intel Corp.	50,280	2,209	3,348
Intuit Inc.	1,807	1,072	1,497
Lam Research Corp.	1,329	1,085	1,379
Micron Technology Inc.	566	65	64
Microsoft Corp.	2,967	1,015	1,478
Oracle Corp.	1,454	212	203
PayPal Holdings Inc.	6,512	534	530
Pure Storage Inc.	25,896	826	1,224
Salesforce Inc.	1,590	475	554
Square Inc.	3,624	360	371
The Western Union Co.	12,804	209	202
Visa Inc. Class A	2,078	716	717
Materials			
AptarGroup Inc.	1,676	252	275
Commercial Metals Co.	2,323	136	154
Ecolab Inc.	1,627	382	428
Huntsman Corp.	26,970	1,041	898
International Paper Co.	4,950	232	237
Newmarket Corp.	508	381	367
Newmont Corp.	1,324	73	73
Steel Dynamics Inc.	2,774	462	434
The Mosaic Co.	6,830	336	323
Real Estate			
Kite REIT	24,614	722	746
Lamar Advertising Co. REIT	5,612	755	790
Simon Property Group Inc.	9,195	1,482	1,738
Ventas Inc.	20,744	1,292	1,370

U.S. Value Fund S-178LL

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or <u>Par Value</u>	Average <u>Cost</u>	Fair <u>Value</u>
United States Common Stock (continued)			
Utilities			
American Electric Power Co. Inc.	918	100	99
Dominion Energy Inc.	24,639	1,399	1,534
Duke Energy Corp.	804	103	103
Edison International	15,454	1,398	1,464
National Fuel Gas Co.	9,921	709	660
The AES Corp.	29,997	707	765
Vistra Energy Corp.	27,981	937	1,428
Total United States Common Stock		134,459	155,077
Global Common Stock			
Bermuda			
Axis Capital Holdings Limited	8,098	605	594
Essent Group Ltd.	10,605	575	741
Everest Group Ltd.	898	437	421
Norwegian Cruise Line Holdings Ltd.	3,474	89	92
Ireland			
Jazz Pharmaceuticals PLC	2,999	499	489
Medtronic Co. PLC	20,102	2,405	2,194
Liberia			
Royal Caribbean Group	8,668	1,095	1,487
Panama			
Carnival Corp.	53,769	1,148	1,321

U.S. Value Fund S-178LL

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or <u>Par Value</u>	Average <u>Cost</u>	Fair <u>Value</u>
Global Common Stock (continued)			
United Kingdom			
Royalty Pharma PLC	10,884	395	405
TechnipFMC PLC	29,713	742	793
Total Global Common Stock		7,990	8,537
Total Stocks		142,449	163,614
Transaction Costs (note 2)		(40)	
Total Investments		142,409	163,614

U.S. Value Fund S-178LL

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

Introduction

The objective of the U.S. Value Fund S-178LL (the Fund) in managing risk is the creation and protection of contractholder value. Risk is inherent in the Fund's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. The process of risk management is critical to the Fund's continuing profitability. The Fund can be exposed to liquidity risk, market risk (which includes currency risk, interest rate risk and other price risk) and credit risk arising from the financial instruments it holds.

A. Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023, and groups the securities by asset type, geographic region and/or market segment. The following sections describe the significant risks that are relevant to the Fund.

To assist with managing risk, The Canada Life Assurance Company (Canada Life or the Company) maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and other regulations.

B. Liquidity Risk

Liquidity risk arises when a fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units by contractholders. The Fund retains sufficient cash and cash equivalent positions to maintain adequate liquidity to meet the obligation to fund daily cash redemptions of their redeemable units.

Some securities are illiquid due to legal restrictions on their resale, the nature of the investment, or simply a lack of interested buyers for a particular security or security type. Certain securities may become less liquid due to changes in market conditions, such as interest rate changes or market volatility, which could impair the ability of a fund to sell such securities quickly.

In accordance with the Fund's policy, the Company monitors the Fund's liquidity positions on a regular basis.

C. Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The classifications used on the Schedule of Investment Portfolio for the financial instruments are based on the country of issue.

U.S. Value Fund S-178LL

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

C. Currency Risk (continued)

The table below indicates the foreign currencies to which the Fund had significant exposure as at December 31, 2023 in Canadian dollar terms, including the underlying principal amount of forward currency contracts, if any. The table also illustrates the potential impact to the Fund's net assets attributable to contractholders, all other variables held constant, as a result of a 1% change in these currencies relative to the Canadian dollar. In practice, the actual results may differ from this sensitivity analysis and the difference could be significant.

2023

Currency	Investments	Cash, Short-term Deposits and Overdrafts	Total*	Impact on Net Assets Attributable to Contractholders
United States Dollar	\$ 163,614	\$ 2,492	\$ 166,106	\$ 1,661
Total	\$ 163,614	\$ 2,492	\$ 166,106	\$ 1,661
As Percent of Net Assets Attributable to Contractholders			99.7%	1.0%

*includes both monetary and non-monetary instruments

2022

Currency	Investments	Cash, Short-term Deposits and Overdrafts	Total*	Impact on Net Assets Attributable to Contractholders
United States Dollar	\$ 146,516	\$ 1,525	\$ 148,041	\$ 1,480
Total	\$ 146,516	\$ 1,525	\$ 148,041	\$ 1,480
As Percent of Net Assets Attributable to Contractholders			99.4%	1.0%

*includes both monetary and non-monetary instruments

D. Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. The Fund Manager moderates this risk through careful selection of securities and other financial instruments within the parameters of the investment strategy. The maximum risk resulting from financial instruments is equivalent to their fair value.

For the Fund, the most significant exposure to other price risk arises from its investment in equity securities. As at December 31, 2023, had the prices on the respective stock exchanges for these securities increased or decreased by 1%, with all other variables held constant, assets would have increased (or decreased) by approximately \$1,636 (\$1,465 at December 31, 2022) or approximately 1.0% (1.0% at December 31, 2022) of total net assets attributable to contractholders. In practice, the actual results may differ and the difference could be significant.

U.S. Value Fund S-178LL

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

E. Fair Value Classification

The following table presents information about the Fund's assets measured at fair value on a recurring basis and indicates the fair value hierarchy of the valuation techniques utilized by the Fund to determine such fair value:

<u>Assets measured at fair value</u>	2023			
	Assets Measured at Fair Value			
	Level 1	Level 2	Level 3	Total
Stocks	\$ 163,614	\$ —	\$ —	\$ 163,614
Total assets measured at fair value	\$ 163,614	\$ —	\$ —	\$ 163,614

<u>Assets measured at fair value</u>	2022			
	Assets Measured at Fair Value			
	Level 1	Level 2	Level 3	Total
Stocks	\$ 146,516	\$ —	\$ —	\$ 146,516
Total assets measured at fair value	\$ 146,516	\$ —	\$ —	\$ 146,516

There were no significant transfers between Level 1 and Level 2 during 2023 or 2022.

U.S. Value Fund S-178LL

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance. Portfolio units are allocated to each category as described in note 3 and are not included on this page.

Net Assets Attributable to Contractholders by Category

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
Generations/Mosaic	411,988	457,562	487,939	381,856	461,695	7,130	6,456	7,226	4,582	5,985
Generations I	90,533	96,381	100,821	105,267	125,425	2,114	1,831	2,006	1,693	2,175
Generations II	39,759	49,742	54,197	92,894	98,439	880	898	1,028	1,428	1,636
Generations Core	102,178	111,959	117,293	130,127	170,552	2,437	2,167	2,373	2,123	2,994
75/75 guarantee policy	54,570	60,449	73,735	88,042	134,049	1,768	1,589	2,026	1,951	3,196
75/100 guarantee policy	96,759	119,079	127,883	161,787	236,440	3,053	3,057	3,438	3,516	5,540
100/100 guarantee policy	31,199	34,191	38,435	46,184	54,310	947	847	999	974	1,237
PS1 75/75 guarantee policy	21,816	25,150	25,310	21,875	61,238	660	615	644	447	1,340
PS1 75/100 guarantee policy	48,654	58,724	69,104	69,202	116,965	1,424	1,393	1,710	1,379	2,502
PS1 100/100 guarantee policy	8,134	9,733	12,759	13,698	19,069	228	222	304	264	396
PS2 75/75 guarantee policy	5,206	5,127	5,232	5,595	14,895	205	159	165	139	387
PS2 75/100 guarantee policy	3,243	7,075	7,176	8,015	8,121	128	220	227	199	211
PS2 100/100 guarantee policy	4,046	1,848	1,892	1,938	1,988	159	57	60	48	52
PS 75/100 guarantee policy	—	—	137	2,347	2,363	—	—	2	23	24
PPS 75/100 guarantee policy	3,728	3,457	—	—	—	55	41	—	—	—

Net Assets Attributable to Contractholders Per Unit (note 6)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
Generations/Mosaic	17.31	14.11	14.81	12.00	12.96	3.20	(0.70)
Generations I	23.35	19.00	19.90	16.08	17.34	4.35	(0.90)
Generations II	22.13	18.06	18.96	15.37	16.62	4.07	(0.90)
Generations Core	23.85	19.36	20.23	16.32	17.55	4.49	(0.87)
75/75 guarantee policy	32.39	26.29	27.48	22.16	23.84	6.10	(1.19)
75/100 guarantee policy	31.55	25.67	26.89	21.73	23.43	5.88	(1.22)
100/100 guarantee policy	30.35	24.76	26.00	21.08	22.79	5.59	(1.24)
PS1 75/75 guarantee policy	30.26	24.46	25.44	20.43	21.87	5.80	(0.98)
PS1 75/100 guarantee policy	29.27	23.72	24.75	19.92	21.39	5.55	(1.03)
PS1 100/100 guarantee policy	28.00	22.78	23.85	19.28	20.78	5.22	(1.07)
PS2 75/75 guarantee policy	39.32	31.07	31.61	24.81	25.98	8.25	(0.54)
PS2 75/100 guarantee policy	39.35	31.09	31.63	24.83	26.00	8.26	(0.54)
PS2 100/100 guarantee policy	39.29	31.05	31.58	24.79	25.96	8.24	(0.53)
PS 75/100 guarantee policy	—	—	12.02	9.61	10.25	—	—
PPS 75/100 guarantee policy	14.74	11.82	—	—	—	2.92	(0.37)

U.S. Value Fund S-178LL

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Fund is offered by The Canada Life Assurance Company.

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

U.S. Value Fund S-178LL

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

U.S. Value Fund S-178LL

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in fair value measurements in the notes to the Schedule of Investment Portfolio.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

U.S. Value Fund S-178LL

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Stocks

Stocks are recorded at fair value determined with reference to closing quoted market prices, where the last traded price falls within the day's bid-ask spread, primarily provided by third party independent pricing sources. Fair values are determined on the basis of the closing price for a security on the recognized exchange on which it is principally traded at each reporting date. In circumstances where the last traded price is not within the bid-ask spread, the Company determines the point when the bid-ask spread that is most representative of fair value based on the specific facts and circumstances.

The fair value of unlisted securities is established using quotations determined by a major dealer in a particular security. Should the quoted value for a security, in the opinion of the Fund Manager, be inaccurate, unreliable, or not readily available, the value of the security is estimated using valuation techniques. Valuation techniques include the market approach (using recent arm's-length market transactions adjusted as necessary and reference to the current market value of another instrument that is substantially the same) and the income approach (discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible).

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

Dividend income - accrued as of the ex-dividend date and recorded on the accrual basis.

U.S. Value Fund S-178LL

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

Miscellaneous income (loss)

Miscellaneous income (loss) generally includes the changes in foreign exchange rates between trade and settlement dates, foreign exchange rates on bank balances, securities lending income, derivative income, and management fee rebates.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

U.S. Value Fund S-178LL

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

k) Income Allocation

Net gain (loss) on investments, which includes dividend income, realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the net asset value (NAV) per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

m) Transaction Costs

Transaction costs, such as brokerage commissions, incurred in the purchase and sale of securities by the Fund are charged to expenses in the year.

U.S. Value Fund S-178LL

Notes to the Financial Statements

(in Canadian \$ thousands)

3. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Emperor,
- Flex,
- Generations/Mosaic,
- Generations I,
- Generations II,
- Generations Core,
- Prestige/Prestige Plus, and
- Private Collections.

In addition to the Individual units, units are available for:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

Portfolio units are those units owned by the Asset Allocation Funds. Each Portfolio fund is represented by a separate category.

The categories of units, and the various levels within each, are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

U.S. Value Fund S-178LL

Notes to the Financial Statements

(in Canadian \$ thousands)

4. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

5. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

6. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

U.S. Value Fund S-178LL

Notes to the Financial Statements

(in Canadian \$ thousands)

7. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.
- c) The Fund invests in assets or underlying funds managed by Mackenzie Financial Corporation, which operates as Mackenzie Investments. All investment transactions with the corresponding underlying funds are at quoted market prices.

U.S. Value Fund S-178LL

Supplemental Information (unaudited)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾

For the years ended December 31	2023	2022	2021	2020	2019
Generations/Mosaic	3.13	3.14	3.14	3.15	3.15
Generations I	2.91	2.92	2.93	2.93	2.93
Generations II	3.19	3.19	3.22	3.20	3.21
Generations Core	2.69	2.70	2.71	2.71	2.71
75/75 guarantee policy	2.69	2.70	2.71	2.71	2.71
75/100 guarantee policy	2.91	2.92	2.93	2.93	2.93
100/100 guarantee policy	3.19	3.19	3.21	3.20	3.21
PS1 75/75 guarantee policy	2.24	2.24	2.25	2.26	2.25
PS1 75/100 guarantee policy	2.51	2.52	2.53	2.53	2.53
PS1 100/100 guarantee policy	2.90	2.90	2.91	2.91	2.91
PS 75/100 guarantee policy	—	—	1.85	1.83	1.82
PPS 75/100 guarantee policy	1.42	1.43	—	—	—

Portfolio Turnover Rate (%) ⁽²⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	100.04	109.18	161.36	100.74	100.97

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
INTERNATIONAL EQUITY FUND (CI) SF182

December 31, 2023

Independent Auditor's Report

To the Contractholders of International Equity Fund (CI) SF182 (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

International Equity Fund (CI) SF182

(in Canadian \$ thousands)

Fund Manager: Canada Life Investment Management Ltd.

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ —	\$ —
Investment income due and accrued	—	—
Due from The Canada Life Assurance Company (note 8)	1	—
Due from brokers	—	1
Due from outside parties	—	—
Investments		
Investment fund units (note 3)	3,457	3,554
Total investments	3,457	3,554
Total assets	\$ 3,458	\$ 3,555
Liabilities		
Overdrafts	\$ 1	\$ 1
Due to The Canada Life Assurance Company (note 8)	—	1
Due to brokers	—	—
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	1	2
Net assets attributable to contractholders	\$ 3,457	\$ 3,553

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 531	\$ (171)
Miscellaneous income (loss)	—	—
Total income (loss)	531	(171)
Expenses		
Management fees (note 8)	94	108
Other	9	11
Total expenses	103	119
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 428	\$ (290)

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year		
	\$ 3,553	\$ 4,802
Contractholder deposits	18	28
Contractholder withdrawals	(542)	(987)
Increase (decrease) in net assets from operations attributable to contractholders	428	(290)
Change in net assets attributable to contractholders	(96)	(1,249)
Net assets attributable to contractholders - end of year	\$ 3,457	\$ 3,553

International Equity Fund (CI) SF182

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 428	\$ (290)
Adjustments		
Realized (gains) losses	(51)	(187)
Unrealized (gains) losses	(392)	481
Gross proceeds of disposition of investments	653	5,101
Gross payments for the purchase of investments	(25)	(4,022)
Distribution income of underlying mutual fund	(88)	(123)
Change in due from/to The Canada Life Assurance Company	(2)	(1)
Change in due from/to brokers	1	—
	<u>524</u>	<u>959</u>
Financing Activities		
Contractholder deposits	18	28
Contractholder withdrawals	(542)	(987)
	<u>(524)</u>	<u>(959)</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	—	—
Cash, short-term deposits and overdrafts, beginning of year	<u>(1)</u>	<u>(1)</u>
Cash, short-term deposits and overdrafts, end of year	<u>\$ (1)</u>	<u>\$ (1)</u>

International Equity Fund (CI) SF182

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units)

As at December 31, 2023

	<u>No. of Units</u>	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units			
Canada Life International Equity Fund Series S *	284,245	3,085	3,457
Total Investments		3,085	3,457

Top 25 Holdings

Security Description	% of Total
ASML Holding NV	3.27%
Shell PLC	3.01%
Nestle SA	2.83%
BHP Group Ltd.	2.53%
Shin-Etsu Chemical Co. Ltd.	2.32%
AstraZeneca PLC	2.11%
Novo Nordisk AS	2.11%
Allianz SE	1.95%
LVMH Moet Hennessy Louis Vuitton SE	1.94%
Roche Holding AG	1.93%
Cash and short-term deposits	1.88%
Sony Group Corp.	1.86%
Air Liquide SA	1.84%
Keyence Corp.	1.84%
TotalEnergies SE	1.82%
3i Group PLC	1.71%
Nippon Telegraph & Telephone Corp.	1.70%
Volvo AB Series B	1.70%
DBS Group Holdings Ltd.	1.67%
BP PLC	1.63%
RELX PLC	1.60%
Industria de Diseno Textil SA	1.54%
Vinci SA	1.54%
Tokio Marine Holdings Inc.	1.52%
Safran SA	1.48%

*The issuer of this security is a related company to the issuer of the Fund.

International Equity Fund (CI) SF182

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Net Assets Attributable to Contractholders by Category

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
Generations/Mosaic	114,745	133,464	159,582	200,517	229,891	918	954	1,215	1,479	1,734
Generations I	16,651	21,550	29,148	31,225	40,671	214	246	353	366	486
Generations II	3,878	6,151	15,118	4,946	8,994	44	62	162	51	95
Generations Core	7,607	6,724	18,934	7,349	17,404	93	73	217	81	196
75/75 guarantee policy	39,253	44,764	50,292	59,851	84,718	754	763	906	1,040	1,499
75/100 guarantee policy	24,792	27,956	40,830	49,539	65,309	463	464	718	842	1,133
100/100 guarantee policy	6,571	6,517	7,126	7,098	7,867	117	103	120	116	132
PS1 75/75 guarantee policy	11,679	20,186	25,259	27,535	33,077	235	359	473	495	603
PS1 75/100 guarantee policy	19,393	18,291	23,076	23,912	23,958	375	314	418	418	425
PS2 75/75 guarantee policy	2,597	2,661	838	860	884	72	63	20	20	20
PS2 75/100 guarantee policy	6,213	6,373	8,179	8,432	8,698	172	152	200	193	196
PS2 100/100 guarantee policy	—	—	—	6	9	—	—	—	—	—

Net Assets Attributable to Contractholders Per Unit (note 7)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
Generations/Mosaic	8.00	7.15	7.61	7.38	7.54	0.85	(0.46)
Generations I	12.86	11.43	12.11	11.71	11.95	1.43	(0.68)
Generations II	11.26	10.05	10.69	10.37	10.61	1.21	(0.64)
Generations Core	12.20	10.82	11.44	11.03	11.24	1.38	(0.62)
75/75 guarantee policy	19.21	17.04	18.02	17.38	17.70	2.17	(0.98)
75/100 guarantee policy	18.67	16.59	17.58	17.00	17.35	2.08	(0.99)
100/100 guarantee policy	17.78	15.87	16.89	16.38	16.77	1.91	(1.02)
PS1 75/75 guarantee policy	20.13	17.77	18.72	17.97	18.22	2.36	(0.95)
PS1 75/100 guarantee policy	19.36	17.16	18.13	17.46	17.76	2.20	(0.97)
PS2 75/75 guarantee policy	27.74	23.89	24.51	22.89	22.56	3.85	(0.62)
PS2 75/100 guarantee policy	27.72	23.87	24.49	22.87	22.54	3.85	(0.62)
PS2 100/100 guarantee policy	—	—	—	22.83	22.51	—	—

International Equity Fund (CI) SF182

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The International Equity Fund (CI) SF182 (the Fund) is offered by The Canada Life Assurance Company (Canada Life or the Company).

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

International Equity Fund (CI) SF182

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

International Equity Fund (CI) SF182

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in note 9 on Financial Instrument Risk Management.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

International Equity Fund (CI) SF182

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Investment Fund Units

Investment fund units are recorded at fair value, which is the closing net asset value (NAV) per unit of the underlying fund.

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

International Equity Fund (CI) SF182

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

International Equity Fund (CI) SF182

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

k) Income Allocation

Net gain (loss) on investments, which includes realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the NAV per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

3. INVESTMENT FUND UNITS

Investment fund units of the Fund invest solely in underlying mutual funds.

As the Fund's assets are invested in underlying investment funds, the Fund indirectly pays management fees and operating expenses of the underlying funds. All such charges are included in the management expense ratio of the segregated funds.

Distributions of income from the underlying investment funds are shown as net gain (loss) on investments on the Statement of Comprehensive Income.

Investment activity of the underlying fund indirectly exposes the Fund to financial risk. See note 9 on Financial Instrument Risk Management.

Investments in unconsolidated structured entities

The Company has determined that the Fund meets the definition of an investment entity and as such, accounts for its holdings in unlisted open-ended investment funds at FVTPL. The Company has concluded that the underlying funds in which the Fund invests, but do not consolidate, meet the definition of structured entities because: (i) the voting rights in the underlying funds are not dominant rights in deciding who controls them; (ii) each underlying fund's activities are restricted by its prospectus; and (iii) the underlying funds have narrow and well-defined objectives to provide investment opportunities to investors.

International Equity Fund (CI) SF182

Notes to the Financial Statements

(in Canadian \$ thousands)

4. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Emperor,
- Flex,
- Generations/Mosaic,
- Generations I,
- Generations II,
- Generations Core,
- Prestige/Prestige Plus, and
- Private Collections.

In addition to the Individual units, units are available for:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

The categories of units, and the various levels within each, are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

International Equity Fund (CI) SF182

Notes to the Financial Statements

(in Canadian \$ thousands)

5. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

6. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

7. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

International Equity Fund (CI) SF182

Notes to the Financial Statements

(in Canadian \$ thousands)

8. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.

International Equity Fund (CI) SF182

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT

a) Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023. The following sections describe the significant risks that are relevant to the Fund.

To assist with managing risk, the Fund Manager maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and securities regulations. Financial statements for the underlying funds, which include discussions about their respective risk exposure, are available upon request.

b) Liquidity Risk

Liquidity risk arises when a Fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units. As the Fund primarily invests all of its net assets in the underlying funds, liquidity risk is mitigated by the underlying funds' ability to meet the obligation to fund daily cash redemptions of their redeemable units/shares. In addition, the underlying funds retain sufficient cash and cash equivalent positions to maintain adequate liquidity.

c) Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The Fund's investments in all underlying funds are denominated in Canadian dollars. However, the Fund is indirectly exposed to currency risk to the extent that the investments of the underlying funds are denominated or traded in a foreign currency.

d) Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund does not directly hold any interest-bearing financial instruments. The Fund is indirectly exposed to the risk that the value of interest-bearing financial instruments held by the underlying funds will fluctuate due to changes in the prevailing levels of market interest rates.

e) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund has no direct exposure to credit risk. The greatest indirect concentration of credit risk is in debt securities, such as bonds, held by underlying funds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer.

f) Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. For the instruments held by the Fund, maximum risk of loss is equivalent to their fair value. The Fund Manager moderates this risk through a careful selection of underlying funds within the parameters of the investment strategy.

g) Fair Value Classification

Investment Fund Units are recorded at fair value, which is the closing NAV per unit of the underlying fund. This valuation is considered to be a Level 1 classification.

International Equity Fund (CI) SF182

Supplemental Information (unaudited)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾

For the years ended December 31	2023	2022	2021	2020	2019
Generations/Mosaic	3.76	3.71	3.70	3.71	3.70
Generations I	3.16	3.28	3.48	3.49	3.48
Generations II	3.57	3.64	3.81	3.82	3.81
Generations Core	2.94	3.04	3.26	3.28	3.26
75/75 guarantee policy	2.94	3.05	3.27	3.27	3.25
75/100 guarantee policy	3.16	3.30	3.48	3.49	3.48
100/100 guarantee policy	3.57	3.64	3.81	3.81	3.81
PS1 75/75 guarantee policy	2.53	2.63	2.81	2.81	2.80
PS1 75/100 guarantee policy	2.86	2.96	3.13	3.13	3.13

Portfolio Turnover Rate (%) ⁽²⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	0.71	104.10	10.86	23.86	4.55

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
GLOBAL FUTURE FUND S-183MF

December 31, 2023

Independent Auditor's Report

To the Contractholders of Global Future Fund S-183MF (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

Global Future Fund S-183MF

(in Canadian \$ thousands)

Fund Manager: Canada Life Investment Management Ltd.

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ 731	\$ —
Investment income due and accrued	—	—
Due from The Canada Life Assurance Company (note 8)	—	—
Due from brokers	—	33
Due from outside parties	—	—
Investments		
Investment fund units (note 3)	454,527	382,813
Total investments	454,527	382,813
Total assets	\$ 455,258	\$ 382,846
Liabilities		
Overdrafts	\$ —	\$ 462
Due to The Canada Life Assurance Company (note 8)	80	223
Due to brokers	396	—
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	476	685
Net assets attributable to contractholders	\$ 454,782	\$ 382,161

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 61,501	\$ (82,876)
Miscellaneous income (loss)	—	—
Total income (loss)	61,501	(82,876)
Expenses		
Management fees (note 8)	7,398	6,686
Other	815	718
Total expenses	8,213	7,404
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 53,288	\$ (90,280)

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year		
	\$ 382,161	\$ 422,931
Contractholder deposits	69,332	76,393
Contractholder withdrawals	(49,999)	(26,883)
Increase (decrease) in net assets from operations attributable to contractholders	53,288	(90,280)
Change in net assets attributable to contractholders	72,621	(40,770)
Net assets attributable to contractholders - end of year	\$ 454,782	\$ 382,161

Global Future Fund S-183MF

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 53,288	\$ (90,280)
Adjustments		
Realized (gains) losses	(2,671)	(1,102)
Unrealized (gains) losses	(55,401)	86,760
Gross proceeds of disposition of investments	23,511	350,082
Gross payments for the purchase of investments	(33,724)	(393,648)
Distribution income of underlying mutual fund	(3,429)	(2,782)
Change in due from/to The Canada Life Assurance Company	(143)	543
Change in due from/to brokers	429	(119)
	<u>(18,140)</u>	<u>(50,546)</u>
Financing Activities		
Contractholder deposits	69,332	76,393
Contractholder withdrawals	(49,999)	(26,883)
	<u>19,333</u>	<u>49,510</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	1,193	(1,036)
Cash, short-term deposits and overdrafts, beginning of year	<u>(462)</u>	<u>574</u>
Cash, short-term deposits and overdrafts, end of year	<u>\$ 731</u>	<u>\$ (462)</u>

Global Future Fund S-183MF

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units)

As at December 31, 2023

	<u>No. of Units</u>	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units			
Canada Life Global Growth Opportunities Fund Series S *	19,430,877	379,895	454,527
Total Investments		379,895	454,527

Top 25 Holdings

Security Description	% of Total
Schneider Electric SE	4.23%
Microsoft Corp.	4.19%
Roper Technologies Inc.	4.04%
Cash and short-term deposits	3.76%
Accenture PLC Class A	3.68%
Linde PLC	3.68%
Aon Corp.	3.62%
Alcon Inc. ADR	3.31%
S&P Global Inc.	3.04%
Thermo Fisher Scientific Inc.	2.95%
Apple Inc.	2.93%
Trane Technologies PLC	2.89%
Gartner Inc.	2.77%
Synopsys Inc.	2.55%
L'Oreal SA	2.52%
McDonald's Corp.	2.38%
Becton, Dickinson and Co.	2.37%
Costco Wholesale Corp.	2.34%
Atlas Copco AB Class A	2.32%
PepsiCo Inc.	2.32%
Visa Inc. Class A	2.28%
Alphabet Inc. Class A	2.26%
The Progressive Corp.	2.26%
ASML Holding NV	2.24%
Ferrari NV	2.07%

*The issuer of this security is a related company to the issuer of the Fund.

Global Future Fund S-183MF

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance. Portfolio units are allocated to each category as described in note 4 and are not included on this page.

Net Assets Attributable to Contractholders by Category

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
Generations/Mosaic	380,121	409,603	478,368	506,307	565,733	12,093	11,655	17,455	15,181	14,436
Generations I	113,274	134,638	194,034	242,332	230,366	3,503	3,710	6,830	6,982	5,627
Generations II	29,684	35,161	41,880	44,242	51,178	710	753	1,150	999	984
Generations Core	23,932	36,302	45,426	50,269	81,012	632	852	1,359	1,229	1,675
75/75 guarantee policy	1,362,275	1,384,396	1,205,940	724,424	341,549	45,443	41,059	45,593	22,372	8,924
75/100 guarantee policy	2,986,881	2,753,513	2,568,830	1,557,766	816,511	96,754	79,469	94,707	47,011	20,890
100/100 guarantee policy	175,243	171,888	186,160	165,546	129,761	5,358	4,702	6,533	4,775	3,187
PS1 75/75 guarantee policy	1,111,384	903,294	834,884	404,571	145,748	36,206	26,040	30,536	12,030	3,649
PS1 75/100 guarantee policy	2,605,841	2,250,405	1,858,471	920,872	367,815	81,740	62,674	65,888	26,631	8,983
PS1 100/100 guarantee policy	160,057	120,339	150,621	80,690	67,863	4,763	3,193	5,110	2,243	1,600
PS2 75/75 guarantee policy	145,937	261,252	119,834	67,468	46,933	6,391	9,866	5,595	2,496	1,425
PS2 75/100 guarantee policy	359,202	324,493	289,909	189,370	111,649	15,721	12,247	13,528	7,002	3,388
PS2 100/100 guarantee policy	2,631	—	—	—	—	115	—	—	—	—
PS 75/75 guarantee policy	134,077	106,568	89,041	53,789	7,054	2,001	1,399	1,473	719	79
PS 75/100 guarantee policy	239,557	195,344	132,078	36,944	9,082	3,535	2,540	2,169	491	101
PS 100/100 guarantee policy	9,142	2,798	4,257	3,094	—	132	36	69	41	—
PPS 75/75 guarantee policy	226,227	212,338	177,575	78,969	20,081	3,468	2,849	2,989	1,069	226
PPS 75/100 guarantee policy	439,080	432,786	397,983	113,464	57,725	6,610	5,721	6,623	1,523	647
PPS 100/100 guarantee policy	33,154	42,365	31,268	13,652	1,800	487	549	512	181	20

Net Assets Attributable to Contractholders Per Unit (note 7)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
Generations/Mosaic	31.81	28.45	36.49	29.98	25.52	3.36	(8.04)
Generations I	30.93	27.56	35.20	28.81	24.43	3.37	(7.64)
Generations II	23.93	21.41	27.47	22.58	19.22	2.52	(6.06)
Generations Core	26.40	23.47	29.92	24.44	20.68	2.93	(6.45)
75/75 guarantee policy	33.36	29.66	37.81	30.88	26.13	3.70	(8.15)
75/100 guarantee policy	32.39	28.86	36.87	30.18	25.59	3.53	(8.01)
100/100 guarantee policy	30.58	27.36	35.09	28.85	24.56	3.22	(7.73)
PS1 75/75 guarantee policy	32.58	28.83	36.58	29.74	25.03	3.75	(7.75)
PS1 75/100 guarantee policy	31.37	27.85	35.45	28.92	24.42	3.52	(7.60)
PS1 100/100 guarantee policy	29.76	26.54	33.93	27.80	23.58	3.22	(7.39)
PS2 75/75 guarantee policy	43.79	37.77	46.69	37.00	30.36	6.02	(8.92)
PS2 75/100 guarantee policy	43.77	37.74	46.66	36.97	30.34	6.03	(8.92)
PS2 100/100 guarantee policy	43.66	—	—	—	—	6.01	—
PS 75/75 guarantee policy	14.93	13.12	16.55	13.37	11.18	1.81	(3.43)
PS 75/100 guarantee policy	14.75	13.00	16.43	13.30	11.15	1.75	(3.43)
PS 100/100 guarantee policy	14.42	12.76	16.19	13.16	—	1.66	(3.43)
PPS 75/75 guarantee policy	15.33	13.42	16.83	13.54	11.27	1.91	(3.41)
PPS 75/100 guarantee policy	15.05	13.22	16.64	13.43	11.21	1.83	(3.42)
PPS 100/100 guarantee policy	14.69	12.96	16.39	13.28	11.14	1.73	(3.43)

Global Future Fund S-183MF

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Global Future Fund S-183MF (the Fund) is offered by The Canada Life Assurance Company (Canada Life or the Company).

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

Global Future Fund S-183MF

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

Global Future Fund S-183MF

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in note 9 on Financial Instrument Risk Management.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

Global Future Fund S-183MF

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Investment Fund Units

Investment fund units are recorded at fair value, which is the closing net asset value (NAV) per unit of the underlying fund.

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Global Future Fund S-183MF

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

Global Future Fund S-183MF

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

k) **Income Allocation**

Net gain (loss) on investments, which includes realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the NAV per unit.

l) **Issue and Redemption of Units**

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

3. INVESTMENT FUND UNITS

Investment fund units of the Fund invest solely in underlying mutual funds.

As the Fund's assets are invested in underlying investment funds, the Fund indirectly pays management fees and operating expenses of the underlying funds. All such charges are included in the management expense ratio of the segregated funds.

Distributions of income from the underlying investment funds are shown as net gain (loss) on investments on the Statement of Comprehensive Income.

Investment activity of the underlying fund indirectly exposes the Fund to financial risk. See note 9 on Financial Instrument Risk Management.

Investments in unconsolidated structured entities

The Company has determined that the Fund meets the definition of an investment entity and as such, accounts for its holdings in unlisted open-ended investment funds at FVTPL. The Company has concluded that the underlying funds in which the Fund invests, but do not consolidate, meet the definition of structured entities because: (i) the voting rights in the underlying funds are not dominant rights in deciding who controls them; (ii) each underlying fund's activities are restricted by its prospectus; and (iii) the underlying funds have narrow and well-defined objectives to provide investment opportunities to investors.

Global Future Fund S-183MF

Notes to the Financial Statements

(in Canadian \$ thousands)

4. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Emperor,
- Flex,
- Generations/Mosaic,
- Generations I,
- Generations II,
- Generations Core,
- Prestige/Prestige Plus, and
- Private Collections.

In addition to the Individual units, units are available for:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

Portfolio units are those units owned by the Asset Allocation Funds. Each Portfolio fund is represented by a separate category.

The categories of units, and the various levels within each, are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

Global Future Fund S-183MF

Notes to the Financial Statements

(in Canadian \$ thousands)

5. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

6. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

7. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

Global Future Fund S-183MF

Notes to the Financial Statements

(in Canadian \$ thousands)

8. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.
- c) The Fund invests in assets or underlying funds managed by Mackenzie Financial Corporation, which operates as Mackenzie Investments. All investment transactions with the corresponding underlying funds are at quoted market prices.

Global Future Fund S-183MF

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT

a) Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023. The following sections describe the significant risks that are relevant to the Fund.

To assist with managing risk, the Fund Manager maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and securities regulations. Financial statements for the underlying funds, which include discussions about their respective risk exposure, are available upon request.

b) Liquidity Risk

Liquidity risk arises when a Fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units. As the Fund primarily invests all of its net assets in the underlying funds, liquidity risk is mitigated by the underlying funds' ability to meet the obligation to fund daily cash redemptions of their redeemable units/shares. In addition, the underlying funds retain sufficient cash and cash equivalent positions to maintain adequate liquidity.

c) Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The Fund's investments in all underlying funds are denominated in Canadian dollars. However, the Fund is indirectly exposed to currency risk to the extent that the investments of the underlying funds are denominated or traded in a foreign currency.

d) Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund does not directly hold any interest-bearing financial instruments. The Fund is indirectly exposed to the risk that the value of interest-bearing financial instruments held by the underlying funds will fluctuate due to changes in the prevailing levels of market interest rates.

e) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund has no direct exposure to credit risk. The greatest indirect concentration of credit risk is in debt securities, such as bonds, held by underlying funds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer.

f) Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. For the instruments held by the Fund, maximum risk of loss is equivalent to their fair value. The Fund Manager moderates this risk through a careful selection of underlying funds within the parameters of the investment strategy.

g) Fair Value Classification

Investment Fund Units are recorded at fair value, which is the closing NAV per unit of the underlying fund. This valuation is considered to be a Level 1 classification.

Global Future Fund S-183MF

Supplemental Information (unaudited)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾

For the years ended December 31	2023	2022	2021	2020	2019
Generations/Mosaic	3.66	3.66	3.64	3.64	3.65
Generations I	3.27	3.28	3.26	3.25	3.26
Generations II	3.69	3.69	3.67	3.67	3.68
Generations Core	3.06	3.06	3.05	3.05	3.05
75/75 guarantee policy	3.06	3.05	3.03	3.03	3.05
75/100 guarantee policy	3.27	3.27	3.24	3.24	3.26
100/100 guarantee policy	3.69	3.69	3.67	3.66	3.68
PS1 75/75 guarantee policy	2.59	2.58	2.56	2.52	2.54
PS1 75/100 guarantee policy	2.92	2.91	2.89	2.86	2.87
PS1 100/100 guarantee policy	3.36	3.37	3.33	3.30	3.32
PS 75/75 guarantee policy	1.95	1.95	1.93	1.93	1.94
PS 75/100 guarantee policy	2.16	2.15	2.14	2.14	2.13
PS 100/100 guarantee policy	2.58	2.60	2.56	2.57	—
PPS 75/75 guarantee policy	1.48	1.48	1.46	1.43	1.43
PPS 75/100 guarantee policy	1.81	1.81	1.79	1.76	1.77
PPS 100/100 guarantee policy	2.25	2.25	2.23	2.20	2.20

Unsubsidized Management Expense Ratio (%) ⁽²⁾

For the years ended December 31	2023	2022	2021	2020	2019
PS1 75/75 guarantee policy	2.59	2.58	2.56	2.56	2.57
PS1 75/100 guarantee policy	2.92	2.91	2.89	2.90	2.90
PS1 100/100 guarantee policy	3.36	3.37	3.33	3.34	3.35
PPS 75/75 guarantee policy	1.48	1.48	1.46	1.47	1.46
PPS 75/100 guarantee policy	1.81	1.81	1.79	1.80	1.80
PPS 100/100 guarantee policy	2.25	2.25	2.23	2.24	2.23

Portfolio Turnover Rate (%) ⁽³⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	5.54	91.83	83.72	4.10	8.16

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The Company has waived a portion of the fees for the Preferred Series 1 and Preferred Partner Series guarantee policies. There is no obligation for the Company to continue waiving these fees and it may cease to do so at any time without notice.

(3) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
INTERNATIONAL PORTFOLIO FUND (FIDELITY) SF184

December 31, 2023

Independent Auditor's Report

To the Contractholders of International Portfolio Fund (Fidelity) SF184 (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

International Portfolio Fund (Fidelity) SF184

(in Canadian \$ thousands)

Fund Manager: Fidelity Investments Canada ULC

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ —	\$ —
Investment income due and accrued	—	—
Due from The Canada Life Assurance Company (note 8)	—	—
Due from brokers	72	17
Due from outside parties	—	—
Investments		
Investment fund units (note 3)	98,709	83,110
Total investments	98,709	83,110
Total assets	\$ 98,781	\$ 83,127
Liabilities		
Overdrafts	\$ 80	\$ 55
Due to The Canada Life Assurance Company (note 8)	17	55
Due to brokers	—	—
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	97	110
Net assets attributable to contractholders	\$ 98,684	\$ 83,017

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 16,184	\$ (14,431)
Miscellaneous income (loss)	—	—
Total income (loss)	16,184	(14,431)
Expenses		
Management fees (note 8)	2,590	2,543
Other	251	231
Total expenses	2,841	2,774

Net increase (decrease) in net assets from operations attributable to contractholders \$ 13,343 \$ (17,205)

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year		
	\$ 83,017	\$ 108,358
Contractholder deposits	15,091	8,986
Contractholder withdrawals	(12,767)	(17,122)
Increase (decrease) in net assets from operations attributable to contractholders	13,343	(17,205)
Change in net assets attributable to contractholders	15,667	(25,341)
Net assets attributable to contractholders - end of year	\$ 98,684	\$ 83,017

International Portfolio Fund (Fidelity) SF184

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 13,343	\$ (17,205)
Adjustments		
Realized (gains) losses	(2,345)	(4,137)
Unrealized (gains) losses	(12,341)	19,703
Gross proceeds of disposition of investments	9,464	16,313
Gross payments for the purchase of investments	(8,879)	(5,440)
Distribution income of underlying mutual fund	(1,498)	(1,135)
Change in due from/to The Canada Life Assurance Company	(38)	27
Change in due from/to brokers	(55)	(8)
	<u>(2,349)</u>	<u>8,118</u>
Financing Activities		
Contractholder deposits	15,091	8,986
Contractholder withdrawals	(12,767)	(17,122)
	<u>2,324</u>	<u>(8,136)</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	(25)	(18)
Cash, short-term deposits and overdrafts, beginning of year	(55)	(37)
Cash, short-term deposits and overdrafts, end of year	\$ (80)	\$ (55)

International Portfolio Fund (Fidelity) SF184

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units)

As at December 31, 2023

	<u>No. of Units</u>	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units			
Fidelity Global Fund Series O	930,709	71,058	98,709
Total Investments		71,058	98,709

Top 25 Holdings

Security Description	% of Total
Microsoft Corp.	5.53%
Alphabet Inc. Class A	3.12%
Amazon.com Inc.	2.86%
UnitedHealth Group Inc.	2.17%
JPMorgan Chase & Co.	2.04%
Mastercard Inc. Class A	1.96%
Cencora Inc.	1.86%
HCA Healthcare Inc.	1.62%
E.ON SE	1.58%
Baker Hughes Co.	1.53%
TDK Corp.	1.53%
IQVIA Holdings Inc.	1.52%
Intel Corp.	1.48%
SSE PLC	1.47%
GE HealthCare Technologies Inc.	1.46%
Canadian Pacific Kansas City Ltd.	1.41%
Quanta Services Inc.	1.40%
Expedia Group Inc.	1.34%
Sony Group Corp.	1.34%
General Electric Co.	1.32%
The Cigna Group	1.30%
Deutsche Boerse AG	1.26%
Qualcomm Inc.	1.19%
Oracle Corp.	1.18%
T-Mobile US Inc.	1.17%

International Portfolio Fund (Fidelity) SF184

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Net Assets Attributable to Contractholders by Category

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
Generations/Mosaic	468,623	545,309	585,309	630,020	790,422	9,658	9,708	12,567	12,233	13,056
Generations I	86,235	97,428	115,380	119,281	130,004	1,866	1,820	2,598	2,428	2,249
Generations II	44,267	84,117	81,458	74,977	64,743	860	1,415	1,657	1,383	1,019
Generations Core	65,063	75,163	93,626	96,865	117,337	1,373	1,366	2,045	1,908	1,959
75/75 guarantee policy	425,352	415,971	444,100	289,052	330,376	13,057	10,994	14,109	8,278	8,022
75/100 guarantee policy	899,505	880,639	952,512	853,619	836,863	26,884	22,724	29,626	23,998	20,004
100/100 guarantee policy	246,938	249,407	246,213	204,177	197,966	7,047	6,165	7,360	5,535	4,578
PS1 75/75 guarantee policy	225,172	187,011	336,063	149,641	91,532	7,266	5,175	11,134	4,451	2,299
PS1 75/100 guarantee policy	647,281	612,520	586,307	465,156	404,635	20,106	16,369	18,822	13,451	9,914
PS1 100/100 guarantee policy	68,423	73,795	84,255	51,050	36,327	2,019	1,882	2,592	1,421	861
PS2 75/75 guarantee policy	23,995	23,979	21,194	20,366	41,949	1,072	893	920	771	1,305
PS2 75/100 guarantee policy	50,083	43,032	37,107	21,572	18,486	2,238	1,603	1,610	817	575
PS2 100/100 guarantee policy	13,513	18,551	20,932	15,599	16,178	604	692	909	591	504
PS 75/75 guarantee policy	36,916	35,377	45,733	25,759	14,963	533	435	669	336	164
PS 75/100 guarantee policy	67,483	36,140	28,408	14,619	11,663	960	439	411	189	127
PS 100/100 guarantee policy	33,009	26,676	9,184	3,233	—	461	319	131	41	—
PPS 75/75 guarantee policy	25,296	20,753	23,154	16,967	933	373	260	343	223	10
PPS 75/100 guarantee policy	142,462	56,409	40,443	9,928	8,693	2,065	696	593	130	95
PPS 100/100 guarantee policy	17,091	5,141	18,144	4,003	—	242	62	262	52	—

Net Assets Attributable to Contractholders Per Unit (note 7)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
Generations/Mosaic	20.61	17.80	21.47	19.42	16.52	2.81	(3.67)
Generations I	21.64	18.68	22.52	20.35	17.30	2.96	(3.84)
Generations II	19.43	16.83	20.35	18.45	15.74	2.60	(3.52)
Generations Core	21.11	18.17	21.85	19.69	16.70	2.94	(3.68)
75/75 guarantee policy	30.70	26.43	31.77	28.64	24.28	4.27	(5.34)
75/100 guarantee policy	29.89	25.80	31.10	28.11	23.90	4.09	(5.30)
100/100 guarantee policy	28.54	24.72	29.89	27.11	23.12	3.82	(5.17)
PS1 75/75 guarantee policy	32.27	27.67	33.13	29.75	25.12	4.60	(5.46)
PS1 75/100 guarantee policy	31.06	26.72	32.10	28.92	24.50	4.34	(5.38)
PS1 100/100 guarantee policy	29.51	25.50	30.77	27.84	23.69	4.01	(5.27)
PS2 75/75 guarantee policy	44.68	37.26	43.39	37.88	31.12	7.42	(6.13)
PS2 75/100 guarantee policy	44.68	37.26	43.39	37.88	31.12	7.42	(6.13)
PS2 100/100 guarantee policy	44.70	37.27	43.41	37.90	31.13	7.43	(6.14)
PS 75/75 guarantee policy	14.44	12.30	14.62	13.04	10.93	2.14	(2.32)
PS 75/100 guarantee policy	14.23	12.15	14.48	12.95	10.89	2.08	(2.33)
PS 100/100 guarantee policy	13.97	11.97	14.32	12.84	—	2.00	(2.35)
PPS 75/75 guarantee policy	14.76	12.52	14.82	13.17	11.00	2.24	(2.30)
PPS 75/100 guarantee policy	14.50	12.34	14.66	13.06	10.95	2.16	(2.32)
PPS 100/100 guarantee policy	14.15	12.10	14.44	12.92	—	2.05	(2.34)

International Portfolio Fund (Fidelity) SF184

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The International Portfolio Fund (Fidelity) SF184 (the Fund) is offered by The Canada Life Assurance Company (Canada Life or the Company).

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

International Portfolio Fund (Fidelity) SF184

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

International Portfolio Fund (Fidelity) SF184

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in note 9 on Financial Instrument Risk Management.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

International Portfolio Fund (Fidelity) SF184

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Investment Fund Units

Investment fund units are recorded at fair value, which is the closing net asset value (NAV) per unit of the underlying fund.

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

International Portfolio Fund (Fidelity) SF184

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

International Portfolio Fund (Fidelity) SF184

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

k) Income Allocation

Net gain (loss) on investments, which includes realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the NAV per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

3. INVESTMENT FUND UNITS

Investment fund units of the Fund invest solely in underlying mutual funds.

As the Fund's assets are invested in underlying investment funds, the Fund indirectly pays management fees and operating expenses of the underlying funds. All such charges are included in the management expense ratio of the segregated funds.

Distributions of income from the underlying investment funds are shown as net gain (loss) on investments on the Statement of Comprehensive Income.

Investment activity of the underlying fund indirectly exposes the Fund to financial risk. See note 9 on Financial Instrument Risk Management.

Investments in unconsolidated structured entities

The Company has determined that the Fund meets the definition of an investment entity and as such, accounts for its holdings in unlisted open-ended investment funds at FVTPL. The Company has concluded that the underlying funds in which the Fund invests, but do not consolidate, meet the definition of structured entities because: (i) the voting rights in the underlying funds are not dominant rights in deciding who controls them; (ii) each underlying fund's activities are restricted by its prospectus; and (iii) the underlying funds have narrow and well-defined objectives to provide investment opportunities to investors.

International Portfolio Fund (Fidelity) SF184

Notes to the Financial Statements

(in Canadian \$ thousands)

4. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Emperor,
- Flex,
- Generations/Mosaic,
- Generations I,
- Generations II,
- Generations Core,
- Prestige/Prestige Plus, and
- Private Collections.

In addition to the Individual units, units are available for:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

The categories of units, and the various levels within each, are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

International Portfolio Fund (Fidelity) SF184

Notes to the Financial Statements

(in Canadian \$ thousands)

5. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

6. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

7. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

International Portfolio Fund (Fidelity) SF184

Notes to the Financial Statements

(in Canadian \$ thousands)

8. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.

International Portfolio Fund (Fidelity) SF184

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT

a) Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023. The following sections describe the significant risks that are relevant to the Fund.

To assist with managing risk, the Fund Manager maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and securities regulations. Financial statements for the underlying funds, which include discussions about their respective risk exposure, are available upon request.

b) Liquidity Risk

Liquidity risk arises when a Fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units. As the Fund primarily invests all of its net assets in the underlying funds, liquidity risk is mitigated by the underlying funds' ability to meet the obligation to fund daily cash redemptions of their redeemable units/shares. In addition, the underlying funds retain sufficient cash and cash equivalent positions to maintain adequate liquidity.

c) Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The Fund's investments in all underlying funds are denominated in Canadian dollars. However, the Fund is indirectly exposed to currency risk to the extent that the investments of the underlying funds are denominated or traded in a foreign currency.

d) Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund does not directly hold any interest-bearing financial instruments. The Fund is indirectly exposed to the risk that the value of interest-bearing financial instruments held by the underlying funds will fluctuate due to changes in the prevailing levels of market interest rates.

e) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund has no direct exposure to credit risk. The greatest indirect concentration of credit risk is in debt securities, such as bonds, held by underlying funds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer.

f) Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. For the instruments held by the Fund, maximum risk of loss is equivalent to their fair value. The Fund Manager moderates this risk through a careful selection of underlying funds within the parameters of the investment strategy.

g) Fair Value Classification

Investment Fund Units are recorded at fair value, which is the closing NAV per unit of the underlying fund. This valuation is considered to be a Level 1 classification.

International Portfolio Fund (Fidelity) SF184

Supplemental Information *(unaudited)*

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾

For the years ended December 31	2023	2022	2021	2020	2019
Generations/Mosaic	3.52	3.51	3.51	3.50	3.51
Generations I	3.46	3.46	3.45	3.45	3.46
Generations II	3.79	3.78	3.78	3.77	3.78
Generations Core	3.19	3.18	3.18	3.18	3.18
75/75 guarantee policy	3.19	3.18	3.17	3.18	3.18
75/100 guarantee policy	3.46	3.45	3.45	3.45	3.45
100/100 guarantee policy	3.79	3.78	3.77	3.77	3.78
PS1 75/75 guarantee policy	2.79	2.80	2.77	2.77	2.78
PS1 75/100 guarantee policy	3.12	3.11	3.10	3.10	3.11
PS1 100/100 guarantee policy	3.55	3.55	3.53	3.53	3.55
PS 75/75 guarantee policy	2.09	2.09	2.08	2.08	2.09
PS 75/100 guarantee policy	2.37	2.36	2.35	2.36	2.36
PS 100/100 guarantee policy	2.70	2.69	2.69	2.67	—
PPS 75/75 guarantee policy	1.70	1.69	1.69	1.67	1.69
PPS 75/100 guarantee policy	2.02	2.01	2.00	2.01	2.02
PPS 100/100 guarantee policy	2.46	2.45	2.46	2.45	—

Portfolio Turnover Rate (%) ⁽²⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	9.93	6.17	7.27	13.08	9.97

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

Financial Statements of

**THE CANADA LIFE ASSURANCE COMPANY
DIVIDEND FUND S-189LL**

December 31, 2023

Independent Auditor's Report

To the Contractholders of Dividend Fund S-189LL (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

Dividend Fund S-189LL

(in Canadian \$ thousands)

Fund Manager: Mackenzie Investments

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ 6,388	\$ 11,575
Investment income due and accrued	890	794
Due from The Canada Life Assurance Company (note 7)	113	71
Due from brokers	—	—
Due from outside parties	—	—
Investments		
Bonds	—	—
Stocks	325,945	297,726
Investment fund units	—	—
Total investments	325,945	297,726
Total assets	\$ 333,336	\$ 310,166
Liabilities		
Overdrafts	\$ —	\$ —
Due to The Canada Life Assurance Company (note 7)	—	—
Due to brokers	—	—
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	—	—
Net assets attributable to contractholders	\$ 333,336	\$ 310,166

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 24,895	\$ (3,224)
Miscellaneous income (loss)	36	105
Total income (loss)	24,931	(3,119)
Expenses		
Management fees (note 7)	5,384	4,514
Transaction costs	188	194
Withholding taxes	49	30
Other	600	496
Total expenses	6,221	5,234
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 18,710	\$ (8,353)

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year	\$ 310,166	\$ 235,254
Contractholder deposits	52,670	115,442
Contractholder withdrawals	(48,210)	(32,177)
Increase (decrease) in net assets from operations attributable to contractholders	18,710	(8,353)
Change in net assets attributable to contractholders	23,170	74,912
Net assets attributable to contractholders - end of year	\$ 333,336	\$ 310,166

Dividend Fund S-189LL

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 18,710	\$ (8,353)
Adjustments		
Realized (gains) losses	(7,754)	(14,882)
Unrealized (gains) losses	(4,594)	27,762
Gross proceeds of disposition of investments	150,758	116,493
Gross payments for the purchase of investments	(166,629)	(197,219)
Change in investment income due and accrued	(96)	(107)
Change in due from/to The Canada Life Assurance Company	(42)	176
Change in due from/to brokers	—	—
Change in due from/to outside parties	—	—
	<u>(9,647)</u>	<u>(76,130)</u>
Financing Activities		
Contractholder deposits	52,670	115,442
Contractholder withdrawals	(48,210)	(32,177)
	<u>4,460</u>	<u>83,265</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	(5,187)	7,135
Cash, short-term deposits and overdrafts, beginning of year	11,575	4,440
Cash, short-term deposits and overdrafts, end of year	\$ 6,388	\$ 11,575
Supplementary cash flow information		
Dividend income received	\$ 12,116	\$ 9,369

Dividend Fund S-189LL

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or <u>Par Value</u>	Average <u>Cost</u>	Fair <u>Value</u>
Canadian Common Stock			
Communication Services			
Cogeco Communications Inc. sub. voting	22,393	1,502	1,329
Rogers Communications Inc. Class B non-voting	135,734	7,980	8,420
TELUS Corp.	583,036	15,151	13,748
TELUS International Inc.	60,455	1,248	688
Consumer Discretionary			
Dollarama Inc.	11,046	999	1,055
Magna International Inc.	48,396	3,913	3,789
Restaurant Brands International Inc.	50,953	3,937	5,275
Consumer Staples			
Alimentation Couche-Tard Inc.	43,569	2,181	3,400
Loblaw Companies Ltd.	77,989	8,379	10,004
Energy			
AltaGas Ltd.	5,608	143	156
ARC Resources Ltd.	93,606	1,651	1,841
Canadian Natural Resources Ltd.	157,467	9,373	13,670
Enbridge Inc.	226,784	11,073	10,818
Pembina Pipeline Corp.	119,874	5,003	5,469
Pembina Pipeline Corp. Subscription Receipt	9,253	396	416
Suncor Energy Inc.	181,166	7,084	7,690
TC Energy Corp.	248,035	14,306	12,838
Tourmaline Oil Corp.	34,437	1,653	2,052
Financials			
Bank of Montreal	145,159	16,998	19,031
Brookfield Asset Management Inc. Class A	60,416	2,472	3,215
Brookfield Corp.	50,554	2,260	2,687
iA Financial Corp. Inc.	43,679	2,958	3,946
Intact Financial Corp.	46,366	8,262	9,452
Manulife Financial Corp.	307,964	7,246	9,017
Royal Bank of Canada	186,298	21,215	24,963
Sun Life Financial Inc.	189,752	11,740	13,040
The Bank of Nova Scotia	156,037	11,007	10,064
The Toronto-Dominion Bank	212,912	16,578	18,230
Thomson Reuters Corp.	13,427	1,921	2,601

Dividend Fund S-189LL

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or Par Value	Average Cost	Fair Value
Canadian Common Stock (continued)			
Industrials			
CAE Inc.	53,716	1,541	1,536
Canadian National Railway Co.	58,960	7,982	9,820
Canadian Pacific Kansas City Ltd.	100,969	9,251	10,586
Finning International Inc.	58,390	2,335	2,238
Toromont Industries Ltd.	12,340	1,376	1,433
Information Technology			
CGI Group Inc. Class A sub. voting	13,322	1,819	1,891
Open Text Corp.	75,576	4,004	4,209
Materials			
Agnico Eagle Mines Ltd.	63,609	4,249	4,621
Barrick Gold Corp.	105,105	2,265	2,516
CCL Industries Inc. Class B non-voting	87,759	5,582	5,230
Franco-Nevada Corp.	5,401	995	793
Nutrien Ltd.	82,798	6,513	6,181
Teck Resources Ltd. Class B	18,091	989	1,013
Real Estate			
Canadian Apartment Properties REIT	50,044	2,426	2,442
Choice Properties REIT	173,208	2,322	2,416
Granite REIT Holdings LP	30,704	2,418	2,342
Utilities			
Boralex Inc. Class A	33,213	1,217	1,119
Emera Inc.	180,774	10,010	9,093
Fortis Inc.	100,473	5,584	5,477
Northland Power Inc.	174,272	5,557	4,195
Total Canadian Common Stock		277,064	298,055
United States Common Stock			
Communication Services			
Alphabet Inc. Class A	6,946	968	1,286
Consumer Discretionary			
The TJX Companies Inc.	10,822	914	1,345

Dividend Fund S-189LL

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or Par Value	Average Cost	Fair Value
United States Common Stock (continued)			
Consumer Staples			
Constellation Brands Inc. Class A	4,614	1,460	1,478
Exchange Traded Funds			
iShares U.S. Medical Devices ETF	29,574	2,174	2,115
Financials			
Cboe Global Markets Inc.	7,918	1,452	1,873
Health Care			
Johnson & Johnson Inc.	18,055	3,943	3,750
UnitedHealth Group Inc.	2,252	1,552	1,571
Information Technology			
Microsoft Corp.	11,249	3,203	5,605
Oracle Corp.	12,139	1,326	1,696
Visa Inc. Class A	7,222	2,019	2,491
Total United States Common Stock		19,011	23,210
Global Common Stock			
Bermuda			
Brookfield Infrastructure Partners LP Partnership Units	112,075	4,864	4,680
Total Global Common Stock		4,864	4,680
Total Stocks		300,939	325,945
Transaction Costs (note 2)		(164)	
Total Investments		300,775	325,945

Dividend Fund S-189LL

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

Introduction

The objective of the Dividend Fund S-189LL (the Fund) in managing risk is the creation and protection of contractholder value. Risk is inherent in the Fund's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. The process of risk management is critical to the Fund's continuing profitability. The Fund can be exposed to liquidity risk, market risk (which includes currency risk, interest rate risk and other price risk) and credit risk arising from the financial instruments it holds.

A. Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023, and groups the securities by asset type, geographic region and/or market segment. The following sections describe the significant risks that are relevant to the Fund.

To assist with managing risk, The Canada Life Assurance Company (Canada Life or the Company) maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and other regulations.

B. Liquidity Risk

Liquidity risk arises when a fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units by contractholders. The Fund retains sufficient cash and cash equivalent positions to maintain adequate liquidity to meet the obligation to fund daily cash redemptions of their redeemable units.

Some securities are illiquid due to legal restrictions on their resale, the nature of the investment, or simply a lack of interested buyers for a particular security or security type. Certain securities may become less liquid due to changes in market conditions, such as interest rate changes or market volatility, which could impair the ability of a fund to sell such securities quickly.

In accordance with the Fund's policy, the Company monitors the Fund's liquidity positions on a regular basis.

C. Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The classifications used on the Schedule of Investment Portfolio for the financial instruments are based on the country of issue.

Dividend Fund S-189LL

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

C. Currency Risk (continued)

The table below indicates the foreign currencies to which the Fund had significant exposure as at December 31, 2023 in Canadian dollar terms, including the underlying principal amount of forward currency contracts, if any. The table also illustrates the potential impact to the Fund's net assets attributable to contractholders, all other variables held constant, as a result of a 1% change in these currencies relative to the Canadian dollar. In practice, the actual results may differ from this sensitivity analysis and the difference could be significant.

2023

Currency	Investments	Cash, Short-term Deposits and Overdrafts	Total*	Impact on Net Assets Attributable to Contractholders	
United States Dollar	\$ 23,210	\$ 885	\$ 24,095	\$ 241	
Total	\$ 23,210	\$ 885	\$ 24,095	\$ 241	
As Percent of Net Assets Attributable to Contractholders				7.2%	0.1%

*Includes both monetary and non-monetary instruments

2022

Currency	Investments	Cash, Short-term Deposits and Overdrafts	Total*	Impact on Net Assets Attributable to Contractholders	
United States Dollar	\$ 16,547	\$ 214	\$ 16,761	\$ 168	
Total	\$ 16,547	\$ 214	\$ 16,761	\$ 168	
As Percent of Net Assets Attributable to Contractholders				5.4%	0.1%

*Includes both monetary and non-monetary instruments

D. Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. The Fund Manager moderates this risk through careful selection of securities and other financial instruments within the parameters of the investment strategy. The maximum risk resulting from financial instruments is equivalent to their fair value.

For the Fund, the most significant exposure to other price risk arises from its investment in equity securities. As at December 31, 2023, had the prices on the respective stock exchanges for these securities increased or decreased by 1%, with all other variables held constant, assets would have increased (or decreased) by approximately \$3,259 (\$2,977 at December 31, 2022) or approximately 1.0% (1.0% at December 31, 2022) of total net assets attributable to contractholders. In practice, the actual results may differ and the difference could be significant.

Dividend Fund S-189LL

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

E. Fair Value Classification

The following table presents information about the Fund's assets measured at fair value on a recurring basis and indicates the fair value hierarchy of the valuation techniques utilized by the Fund to determine such fair value:

<u>Assets measured at fair value</u>	2023			
	Assets Measured at Fair Value			
	Level 1	Level 2	Level 3	Total
Stocks	\$ 325,945	\$ —	\$ —	\$ 325,945
Total assets measured at fair value	\$ 325,945	\$ —	\$ —	\$ 325,945

<u>Assets measured at fair value</u>	2022			
	Assets Measured at Fair Value			
	Level 1	Level 2	Level 3	Total
Stocks	\$ 297,726	\$ —	\$ —	\$ 297,726
Total assets measured at fair value	\$ 297,726	\$ —	\$ —	\$ 297,726

There were no significant transfers between Level 1 and Level 2 during 2023 or 2022.

Dividend Fund S-189LL

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance. Portfolio units are allocated to each category as described in note 3 and are not included on this page.

Net Assets Attributable to Contractholders by Category

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
Generations/Mosaic	236,332	253,702	275,623	297,034	367,771	7,303	7,473	8,419	7,282	9,184
Generations I	52,459	62,068	93,731	108,907	123,593	1,081	1,216	1,898	1,766	2,035
Generations II	76,898	79,813	120,317	122,724	150,030	1,323	1,310	2,050	1,680	2,094
Generations Core	41,036	45,966	56,699	62,317	75,553	759	808	1,029	904	1,113
75/75 guarantee policy	1,414,445	1,251,362	858,721	562,739	306,350	31,236	26,241	18,600	9,746	5,383
75/100 guarantee policy	4,170,566	3,875,820	2,744,633	1,733,307	784,381	90,508	79,959	58,552	29,598	13,605
100/100 guarantee policy	142,222	159,572	85,725	65,650	67,195	2,951	3,159	1,761	1,084	1,131
PS1 75/75 guarantee policy	1,384,556	1,264,735	786,244	395,580	181,564	28,298	24,433	15,617	6,253	2,899
PS1 75/100 guarantee policy	3,657,151	3,680,334	2,021,206	1,291,394	375,146	72,880	69,478	39,319	20,038	5,892
PS1 100/100 guarantee policy	84,915	90,649	59,064	44,412	19,712	1,628	1,652	1,113	669	302
PS2 75/75 guarantee policy	308,172	227,919	285,888	214,245	39,804	8,092	5,536	6,987	4,078	749
PS2 75/100 guarantee policy	455,144	484,442	267,250	147,831	98,530	11,958	11,774	6,536	2,816	1,855
PS2 100/100 guarantee policy	11,795	12,101	12,406	12,724	13,069	309	294	303	242	246
PS 75/75 guarantee policy	209,867	168,508	92,346	37,658	834	2,958	2,230	1,249	403	9
PS 75/100 guarantee policy	256,684	256,516	140,468	89,534	34,066	3,596	3,378	1,892	955	365
PS 100/100 guarantee policy	9,143	—	—	—	—	126	—	—	—	—
PPS 75/75 guarantee policy	390,585	284,546	183,731	70,053	63,704	5,645	3,844	2,524	757	688
PPS 75/100 guarantee policy	353,901	428,241	181,361	127,024	31,180	5,053	5,729	2,472	1,366	336

Net Assets Attributable to Contractholders Per Unit (note 6)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
Generations/Mosaic	30.90	29.46	30.54	24.52	24.97	1.44	(1.08)
Generations I	20.60	19.59	20.25	16.21	16.47	1.01	(0.66)
Generations II	17.21	16.42	17.04	13.69	13.96	0.79	(0.62)
Generations Core	18.51	17.57	18.15	14.51	14.73	0.94	(0.58)
75/75 guarantee policy	22.08	20.97	21.66	17.32	17.57	1.11	(0.69)
75/100 guarantee policy	21.70	20.63	21.33	17.08	17.34	1.07	(0.70)
100/100 guarantee policy	20.75	19.79	20.54	16.50	16.83	0.96	(0.75)
PS1 75/75 guarantee policy	20.44	19.32	19.86	15.81	15.97	1.12	(0.54)
PS1 75/100 guarantee policy	19.93	18.88	19.45	15.52	15.71	1.05	(0.57)
PS1 100/100 guarantee policy	19.17	18.22	18.84	15.07	15.31	0.95	(0.62)
PS2 75/75 guarantee policy	26.26	24.29	24.44	19.03	18.81	1.97	(0.15)
PS2 75/100 guarantee policy	26.27	24.30	24.45	19.05	18.83	1.97	(0.15)
PS2 100/100 guarantee policy	26.23	24.26	24.41	19.01	18.79	1.97	(0.15)
PS 75/75 guarantee policy	14.09	13.24	13.52	10.69	10.73	0.85	(0.28)
PS 75/100 guarantee policy	14.01	13.17	13.47	10.66	10.71	0.84	(0.30)
PS 100/100 guarantee policy	13.73	—	—	—	—	0.77	—
PPS 75/75 guarantee policy	14.45	13.51	13.74	10.81	10.80	0.94	(0.23)
PPS 75/100 guarantee policy	14.28	13.38	13.63	10.75	10.77	0.90	(0.25)

Dividend Fund S-189LL

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Fund is offered by The Canada Life Assurance Company.

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

Dividend Fund S-189LL

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

Dividend Fund S-189LL

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in fair value measurements in the notes to the Schedule of Investment Portfolio.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

Dividend Fund S-189LL

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Stocks

Stocks are recorded at fair value determined with reference to closing quoted market prices, where the last traded price falls within the day's bid-ask spread, primarily provided by third party independent pricing sources. Fair values are determined on the basis of the closing price for a security on the recognized exchange on which it is principally traded at each reporting date. In circumstances where the last traded price is not within the bid-ask spread, the Company determines the point when the bid-ask spread that is most representative of fair value based on the specific facts and circumstances.

The fair value of unlisted securities is established using quotations determined by a major dealer in a particular security. Should the quoted value for a security, in the opinion of the Fund Manager, be inaccurate, unreliable, or not readily available, the value of the security is estimated using valuation techniques. Valuation techniques include the market approach (using recent arm's-length market transactions adjusted as necessary and reference to the current market value of another instrument that is substantially the same) and the income approach (discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible).

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

Dividend income - accrued as of the ex-dividend date and recorded on the accrual basis.

Dividend Fund S-189LL

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

Miscellaneous income (loss)

Miscellaneous income (loss) generally includes the changes in foreign exchange rates between trade and settlement dates, foreign exchange rates on bank balances, securities lending income, derivative income, and management fee rebates.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

Dividend Fund S-189LL

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

k) Income Allocation

Net gain (loss) on investments, which includes dividend income, realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the net asset value (NAV) per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

m) Transaction Costs

Transaction costs, such as brokerage commissions, incurred in the purchase and sale of securities by the Fund are charged to expenses in the year.

Dividend Fund S-189LL

Notes to the Financial Statements

(in Canadian \$ thousands)

3. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Emperor,
- Flex,
- Generations/Mosaic,
- Generations I,
- Generations II,
- Generations Core,
- Prestige/Prestige Plus, and
- Private Collections.

In addition to the Individual units, units are available for:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

Portfolio units are those units owned by the Asset Allocation Funds. Each Portfolio fund is represented by a separate category.

The categories of units, and the various levels within each, are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

Dividend Fund S-189LL

Notes to the Financial Statements

(in Canadian \$ thousands)

4. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

5. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

6. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

Dividend Fund S-189LL

Notes to the Financial Statements

(in Canadian \$ thousands)

7. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.
- c) The Fund invests in assets or underlying funds managed by Mackenzie Financial Corporation, which operates as Mackenzie Investments. All investment transactions with the corresponding underlying funds are at quoted market prices.

Dividend Fund S-189LL

Supplemental Information (unaudited)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾

For the years ended December 31	2023	2022	2021	2020	2019
Generations/Mosaic	3.01	3.01	3.01	3.00	3.00
Generations I	2.73	2.74	2.74	2.72	2.72
Generations II	3.10	3.11	3.10	3.09	3.09
Generations Core	2.62	2.62	2.62	2.61	2.61
75/75 guarantee policy	2.62	2.61	2.62	2.60	2.61
75/100 guarantee policy	2.73	2.72	2.73	2.71	2.72
100/100 guarantee policy	3.10	3.10	3.09	3.08	3.08
PS1 75/75 guarantee policy	2.16	2.15	2.15	2.14	2.15
PS1 75/100 guarantee policy	2.38	2.37	2.38	2.36	2.37
PS1 100/100 guarantee policy	2.72	2.70	2.71	2.69	2.70
PS 75/75 guarantee policy	1.51	1.50	1.51	1.50	1.52
PS 75/100 guarantee policy	1.62	1.61	1.62	1.61	1.61
PS 100/100 guarantee policy	1.99	—	—	—	—
PPS 75/75 guarantee policy	1.05	1.05	1.05	1.05	1.04
PPS 75/100 guarantee policy	1.27	1.26	1.27	1.26	1.27

Portfolio Turnover Rate (%) ⁽²⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	47.27	43.24	26.04	24.32	21.24

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
HARBOUR GROWTH & INCOME FUND (CI) SF190

December 31, 2023

Independent Auditor's Report

To the Contractholders of Harbour Growth & Income Fund (CI) SF190 (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

Harbour Growth & Income Fund (CI) SF190

(in Canadian \$ thousands)

Fund Manager: Canada Life Investment Management Ltd.

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ —	\$ —
Investment income due and accrued	—	—
Due from The Canada Life Assurance Company (note 8)	—	—
Due from brokers	23	510
Due from outside parties	—	—
Investments		
Investment fund units (note 3)	82,831	81,851
Total investments	82,831	81,851
Total assets	\$ 82,854	\$ 82,361
Liabilities		
Overdrafts	\$ 139	\$ 535
Due to The Canada Life Assurance Company (note 8)	13	13
Due to brokers	—	—
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	152	548
Net assets attributable to contractholders	\$ 82,702	\$ 81,813

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 13,586	\$ (11,109)
Miscellaneous income (loss)	—	—
Total income (loss)	13,586	(11,109)
Expenses		
Management fees (note 8)	2,188	2,334
Other	234	252
Total expenses	2,422	2,586
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 11,164	\$ (13,695)

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year	\$ 81,813	\$ 101,921
Contractholder deposits	4,341	4,939
Contractholder withdrawals	(14,616)	(11,352)
Increase (decrease) in net assets from operations attributable to contractholders	11,164	(13,695)
Change in net assets attributable to contractholders	889	(20,108)
Net assets attributable to contractholders - end of year	\$ 82,702	\$ 81,813

Harbour Growth & Income Fund (CI) SF190

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 11,164	\$ (13,695)
Adjustments		
Realized (gains) losses	603	1,509
Unrealized (gains) losses	(12,535)	11,263
Gross proceeds of disposition of investments	15,497	12,640
Gross payments for the purchase of investments	(2,891)	(3,638)
Distribution income of underlying mutual fund	(1,654)	(1,663)
Change in due from/to The Canada Life Assurance Company	—	3
Change in due from/to brokers	487	(406)
	<u>10,671</u>	<u>6,013</u>
Financing Activities		
Contractholder deposits	4,341	4,939
Contractholder withdrawals	(14,616)	(11,352)
	<u>(10,275)</u>	<u>(6,413)</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	396	(400)
Cash, short-term deposits and overdrafts, beginning of year	<u>(535)</u>	<u>(135)</u>
Cash, short-term deposits and overdrafts, end of year	<u>\$ (139)</u>	<u>\$ (535)</u>

Harbour Growth & Income Fund (CI) SF190

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units)

As at December 31, 2023

	<u>No. of Units</u>	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units			
Canada Life Sustainable Growth Portfolio Fund Series S *	7,901,504	81,094	82,831
Total Investments		81,094	82,831

Top Holdings

Underlying fund: Canada Life ESG U.S. Equity Fund

Security Description	% of Total
Microsoft Corp.	7.33%
Apple Inc.	6.98%
Amazon.com Inc.	3.82%
NVIDIA Corp.	3.26%
Alphabet Inc. Class A	2.09%

Underlying fund: Canada Life International Equity Fund

Security Description	% of Total
ASML Holding NV	3.27%
Shell PLC	3.01%
Nestle SA	2.83%
BHP Group Ltd.	2.53%
Shin-Etsu Chemical Co. Ltd.	2.32%

Underlying fund: Canada Life Sustainable Emerging Markets Equity Fund

Security Description	% of Total
Taiwan Semiconductor Manufacturing Co. Ltd. ADR	8.93%
Tencent Holdings Ltd.	5.31%
HDFC Bank Ltd. ADR	2.90%
PT Bank Central Asia TBK	2.86%
FirstRand Ltd.	2.77%

*The issuer of this security is a related company to the issuer of the Fund.

Harbour Growth & Income Fund (CI) SF190

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units)

As at December 31, 2023

	<u>No. of Units</u>	<u>Average Cost</u>	<u>Fair Value</u>
Top Holdings (continued)			

Underlying fund: Canada Life Sustainable Global Bond Fund

Security Description	% of Total
Government of Italy 4.00% 11-15-2030	4.93%
Government of Italy 3.40% 04-01-2028	3.72%
Government of United Kingdom 3.25% 01-31-2033	3.72%
United States Treasury 4.50% 11-15-2033	3.58%
European Union 1.00% 07-06-2032	3.16%

Harbour Growth & Income Fund (CI) SF190

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Net Assets Attributable to Contractholders by Category

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
Generations/Mosaic	1,349,543	1,612,858	1,834,122	2,350,851	2,701,941	37,064	38,764	51,075	60,388	68,359
Generations I	560,144	765,769	954,461	1,168,057	1,364,579	8,498	10,144	14,617	16,456	18,882
Generations II	69,918	95,816	117,445	144,042	165,548	939	1,128	1,603	1,812	2,049
Generations Core	140,774	168,836	186,099	208,317	227,524	1,990	2,078	2,641	2,712	2,902
75/75 guarantee policy	291,257	272,402	214,407	216,689	256,613	4,480	3,648	3,311	3,070	3,561
75/100 guarantee policy	1,034,445	1,147,219	1,139,864	1,427,412	1,792,867	15,596	15,103	17,349	19,986	24,656
100/100 guarantee policy	142,289	145,618	157,737	191,192	244,133	2,089	1,873	2,353	2,629	3,302
PS1 75/75 guarantee policy	178,446	134,564	87,309	96,220	106,977	2,881	1,889	1,410	1,418	1,536
PS1 75/100 guarantee policy	407,015	369,363	366,305	536,873	569,149	6,468	5,107	5,835	7,817	8,084
PS1 100/100 guarantee policy	37,681	25,269	25,869	16,544	8,995	582	340	402	236	125
PS2 75/75 guarantee policy	15,515	13,647	10,703	16,512	27,812	331	247	217	299	479
PS2 75/100 guarantee policy	42,541	44,774	46,679	49,990	53,709	907	809	947	905	926
PS2 100/100 guarantee policy	1,118	2,660	4,413	6,392	8,123	24	48	89	116	140
PS 75/75 guarantee policy	318	145	—	—	—	4	2	—	—	—
PS 75/100 guarantee policy	10,729	16,371	5,934	5,968	6,002	132	173	72	66	64
PPS 75/75 guarantee policy	23,896	9,389	—	—	—	304	103	—	—	—
PPS 75/100 guarantee policy	32,694	30,779	—	—	—	413	335	—	—	—
PPS 100/100 guarantee policy	—	2,072	—	—	—	—	22	—	—	—

Net Assets Attributable to Contractholders Per Unit (note 7)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
Generations/Mosaic	27.46	24.03	27.85	25.69	25.30	3.43	(3.82)
Generations I	15.17	13.25	15.31	14.09	13.84	1.92	(2.06)
Generations II	13.43	11.77	13.65	12.58	12.38	1.66	(1.88)
Generations Core	14.14	12.31	14.19	13.02	12.75	1.83	(1.88)
75/75 guarantee policy	15.38	13.39	15.44	14.17	13.88	1.99	(2.05)
75/100 guarantee policy	15.08	13.17	15.22	14.00	13.75	1.91	(2.05)
100/100 guarantee policy	14.68	12.86	14.92	13.75	13.53	1.82	(2.06)
PS1 75/75 guarantee policy	16.15	14.04	16.15	14.74	14.36	2.11	(2.11)
PS1 75/100 guarantee policy	15.89	13.83	15.93	14.56	14.20	2.06	(2.10)
PS1 100/100 guarantee policy	15.44	13.47	15.56	14.26	13.94	1.97	(2.09)
PS2 75/75 guarantee policy	21.32	18.07	20.28	18.10	17.24	3.25	(2.21)
PS2 75/100 guarantee policy	21.32	18.07	20.28	18.10	17.24	3.25	(2.21)
PS2 100/100 guarantee policy	21.31	18.06	20.27	18.08	17.23	3.25	(2.21)
PS 75/75 guarantee policy	12.43	10.71	—	—	—	1.72	(1.50)
PS 75/100 guarantee policy	12.26	10.59	12.10	11.01	10.70	1.67	(1.51)
PPS 75/75 guarantee policy	12.73	10.94	—	—	—	1.79	(1.51)
PPS 75/100 guarantee policy	12.63	10.87	—	—	—	1.76	(1.51)
PPS 100/100 guarantee policy	—	10.75	—	—	—	—	(1.53)

Harbour Growth & Income Fund (CI) SF190

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Harbour Growth & Income Fund (CI) SF190 (the Fund) is offered by The Canada Life Assurance Company (Canada Life or the Company).

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

Harbour Growth & Income Fund (CI) SF190

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

Harbour Growth & Income Fund (CI) SF190

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in note 9 on Financial Instrument Risk Management.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

Harbour Growth & Income Fund (CI) SF190

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Investment Fund Units

Investment fund units are recorded at fair value, which is the closing net asset value (NAV) per unit of the underlying fund.

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Harbour Growth & Income Fund (CI) SF190

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

Harbour Growth & Income Fund (CI) SF190

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

k) Income Allocation

Net gain (loss) on investments, which includes realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the NAV per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

3. INVESTMENT FUND UNITS

Investment fund units of the Fund invest solely in underlying mutual funds.

As the Fund's assets are invested in underlying investment funds, the Fund indirectly pays management fees and operating expenses of the underlying funds. All such charges are included in the management expense ratio of the segregated funds.

Distributions of income from the underlying investment funds are shown as net gain (loss) on investments on the Statement of Comprehensive Income.

Investment activity of the underlying fund indirectly exposes the Fund to financial risk. See note 9 on Financial Instrument Risk Management.

Investments in unconsolidated structured entities

The Company has determined that the Fund meets the definition of an investment entity and as such, accounts for its holdings in unlisted open-ended investment funds at FVTPL. The Company has concluded that the underlying funds in which the Fund invests, but do not consolidate, meet the definition of structured entities because: (i) the voting rights in the underlying funds are not dominant rights in deciding who controls them; (ii) each underlying fund's activities are restricted by its prospectus; and (iii) the underlying funds have narrow and well-defined objectives to provide investment opportunities to investors.

Harbour Growth & Income Fund (CI) SF190

Notes to the Financial Statements

(in Canadian \$ thousands)

4. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Emperor,
- Flex,
- Generations/Mosaic,
- Generations I,
- Generations II,
- Generations Core,
- Prestige/Prestige Plus, and
- Private Collections.

In addition to the Individual units, units are available for:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

The categories of units are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

Harbour Growth & Income Fund (CI) SF190

Notes to the Financial Statements

(in Canadian \$ thousands)

5. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

6. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

7. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

Harbour Growth & Income Fund (CI) SF190

Notes to the Financial Statements

(in Canadian \$ thousands)

8. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.
- c) The Fund invests in assets or underlying funds managed by Canada Life Investment Management Ltd. All investment transactions with the corresponding underlying funds are at quoted market prices.

Harbour Growth & Income Fund (CI) SF190

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT

a) Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023. The following sections describe the significant risks that are relevant to the Fund.

To assist with managing risk, the Fund Manager maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and securities regulations. Financial statements for the underlying funds, which include discussions about their respective risk exposure, are available upon request.

b) Liquidity Risk

Liquidity risk arises when a Fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units. As the Fund primarily invests all of its net assets in the underlying funds, liquidity risk is mitigated by the underlying funds' ability to meet the obligation to fund daily cash redemptions of their redeemable units/shares. In addition, the underlying funds retain sufficient cash and cash equivalent positions to maintain adequate liquidity.

c) Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The Fund's investments in all underlying funds are denominated in Canadian dollars. However, the Fund is indirectly exposed to currency risk to the extent that the investments of the underlying funds are denominated or traded in a foreign currency.

d) Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund does not directly hold any interest-bearing financial instruments. The Fund is indirectly exposed to the risk that the value of interest-bearing financial instruments held by the underlying funds will fluctuate due to changes in the prevailing levels of market interest rates.

e) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund has no direct exposure to credit risk. The greatest indirect concentration of credit risk is in debt securities, such as bonds, held by underlying funds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer.

f) Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. For the instruments held by the Fund, maximum risk of loss is equivalent to their fair value. The Fund Manager moderates this risk through a careful selection of underlying funds within the parameters of the investment strategy.

g) Fair Value Classification

Investment Fund Units are recorded at fair value, which is the closing NAV per unit of the underlying fund. This valuation is considered to be a Level 1 classification.

Harbour Growth & Income Fund (CI) SF190

Supplemental Information *(unaudited)*

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾

For the years ended December 31	2023	2022	2021	2020	2019
Generations/Mosaic	3.20	3.21	3.33	3.34	3.35
Generations I	2.98	2.99	3.05	3.06	3.07
Generations II	3.31	3.33	3.24	3.23	3.24
Generations Core	2.71	2.71	2.78	2.78	2.79
75/75 guarantee policy	2.71	2.70	2.77	2.79	2.79
75/100 guarantee policy	2.98	2.99	3.06	3.06	3.07
100/100 guarantee policy	3.31	3.32	3.24	3.23	3.24
PS1 75/75 guarantee policy	2.52	2.52	2.25	2.21	2.22
PS1 75/100 guarantee policy	2.63	2.64	2.41	2.38	2.39
PS1 100/100 guarantee policy	2.91	2.91	2.62	2.59	2.61
PS 75/75 guarantee policy	1.64	1.60	—	—	—
PS 75/100 guarantee policy	1.88	1.86	1.94	1.95	1.96
PPS 75/75 guarantee policy	1.42	1.40	—	—	—
PPS 75/100 guarantee policy	1.53	1.53	—	—	—
PPS 100/100 guarantee policy	—	1.81	—	—	—

Portfolio Turnover Rate (%) ⁽²⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	3.51	4.16	93.84	0.86	1.74

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
CANADIAN ASSET ALLOCATION FUND (FIDELITY) SF191

December 31, 2023

Independent Auditor's Report

To the Contractholders of Canadian Asset Allocation Fund (Fidelity) SF191 (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

Canadian Asset Allocation Fund (Fidelity) SF191

(in Canadian \$ thousands)

Fund Manager: Fidelity Investments Canada ULC

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ —	\$ —
Investment income due and accrued	—	—
Due from The Canada Life Assurance Company (note 8)	—	—
Due from brokers	4	81
Due from outside parties	—	—
Investments		
Investment fund units (note 3)	70,981	77,352
Total investments	70,981	77,352
Total assets	\$ 70,985	\$ 77,433
Liabilities		
Overdrafts	\$ 87	\$ 93
Due to The Canada Life Assurance Company (note 8)	18	20
Due to brokers	—	—
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	105	113
Net assets attributable to contractholders	\$ 70,880	\$ 77,320

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 7,848	\$ (3,966)
Miscellaneous income (loss)	—	—
Total income (loss)	7,848	(3,966)
Expenses		
Management fees (note 8)	2,075	2,293
Other	233	257
Total expenses	2,308	2,550
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 5,540	\$ (6,516)

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year	\$ 77,320	\$ 93,862
Contractholder deposits	646	299
Contractholder withdrawals	(12,626)	(10,325)
Increase (decrease) in net assets from operations attributable to contractholders	5,540	(6,516)
Change in net assets attributable to contractholders	(6,440)	(16,542)
Net assets attributable to contractholders - end of year	\$ 70,880	\$ 77,320

Canadian Asset Allocation Fund (Fidelity) SF191

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 5,540	\$ (6,516)
Adjustments		
Realized (gains) losses	(1,158)	(598)
Unrealized (gains) losses	(1,994)	6,916
Gross proceeds of disposition of investments	14,300	12,888
Gross payments for the purchase of investments	(81)	(317)
Distribution income of underlying mutual fund	(4,696)	(2,352)
Change in due from/to The Canada Life Assurance Company	(2)	7
Change in due from/to brokers	77	(56)
	<u>11,986</u>	<u>9,972</u>
Financing Activities		
Contractholder deposits	646	299
Contractholder withdrawals	(12,626)	(10,325)
	<u>(11,980)</u>	<u>(10,026)</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	6	(54)
Cash, short-term deposits and overdrafts, beginning of year	<u>(93)</u>	<u>(39)</u>
Cash, short-term deposits and overdrafts, end of year	<u>\$ (87)</u>	<u>\$ (93)</u>

Canadian Asset Allocation Fund (Fidelity) SF191

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units)

As at December 31, 2023

	<u>No. of Units</u>	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units			
Fidelity North Star Balanced Fund	5,224,348	65,762	70,981
Total Investments		65,762	70,981

Top 25 Holdings

Security Description	% of Total
United States Treasury 3.75% 05-31-2030	6.49%
United States Treasury 3.625% 02-15-2053	4.00%
United States Treasury 4.125% 11-15-2032	3.90%
United States Treasury 3.50% 02-15-2033	3.84%
United States Treasury 4.125% 08-15-2053	2.61%
United States Treasury 2.875% 05-15-2052	2.39%
Microsoft Corp.	1.31%
NVIDIA Corp.	1.05%
Metro Inc.	0.68%
Alphabet Inc. Class C	0.66%
Meta Platforms Inc.	0.66%
Amazon.com Inc.	0.65%
Imperial Brands PLC	0.54%
Johnson & Johnson Inc.	0.54%
Diageo PLC	0.53%
United States Treasury 2.25% 02-15-2052	0.53%
Nestle SA	0.52%
Government of Japan 0.10% 12-20-2024	0.51%
British American Tobacco PLC	0.50%
Philip Morris International Inc.	0.49%
Altria Group Inc.	0.46%
Bayer AG	0.43%
Pfizer Inc.	0.42%
PG&E Corp.	0.42%
Wells Fargo & Co.	0.42%

Canadian Asset Allocation Fund (Fidelity) SF191

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Net Assets Attributable to Contractholders by Category

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
Generations/Mosaic	1,381,080	1,660,547	1,882,997	2,173,810	2,501,945	39,599	44,193	53,856	60,197	62,526
Generations I	480,030	543,026	601,714	690,990	792,655	8,470	8,890	10,583	11,763	12,174
Generations II	102,165	129,242	161,600	188,914	216,134	1,499	1,765	2,379	2,700	2,795
Generations Core	167,483	193,478	212,555	227,292	240,384	2,610	2,792	3,288	3,395	3,233
75/75 guarantee policy	139,501	164,618	174,786	195,604	219,457	2,253	2,461	2,801	3,028	3,058
75/100 guarantee policy	528,441	603,397	717,422	840,143	1,001,169	8,424	8,925	11,402	12,923	13,894
100/100 guarantee policy	130,896	152,904	180,028	215,903	253,919	2,000	2,175	2,759	3,213	3,419
PS1 75/75 guarantee policy	25,337	32,191	34,964	35,685	33,468	422	494	573	562	473
PS1 75/100 guarantee policy	271,263	306,576	315,728	334,069	373,060	4,438	4,632	5,100	5,198	5,211
PS1 100/100 guarantee policy	49,855	42,727	44,683	40,163	58,386	793	629	705	612	800
PS2 75/75 guarantee policy	2,712	2,782	2,978	3,353	9,040	60	56	62	65	155
PS2 75/100 guarantee policy	11,725	12,450	13,338	14,142	21,477	261	250	278	277	367
PS2 100/100 guarantee policy	134	137	140	143	668	3	3	3	3	11
PS 75/100 guarantee policy	3,821	4,827	5,986	7,894	9,847	48	55	73	92	103

Net Assets Attributable to Contractholders Per Unit (note 7)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
Generations/Mosaic	28.67	26.61	28.60	27.69	24.99	2.06	(1.99)
Generations I	17.64	16.37	17.59	17.02	15.36	1.27	(1.22)
Generations II	14.67	13.66	14.72	14.29	12.93	1.01	(1.06)
Generations Core	15.59	14.43	15.47	14.94	13.45	1.16	(1.04)
75/75 guarantee policy	16.15	14.95	16.03	15.48	13.93	1.20	(1.08)
75/100 guarantee policy	15.94	14.79	15.89	15.38	13.88	1.15	(1.10)
100/100 guarantee policy	15.28	14.22	15.33	14.88	13.47	1.06	(1.11)
PS1 75/75 guarantee policy	16.65	15.35	16.38	15.75	14.12	1.30	(1.03)
PS1 75/100 guarantee policy	16.36	15.11	16.15	15.56	13.97	1.25	(1.04)
PS1 100/100 guarantee policy	15.91	14.73	15.78	15.23	13.71	1.18	(1.05)
PS2 75/75 guarantee policy	22.28	20.03	20.86	19.56	17.10	2.25	(0.83)
PS2 75/100 guarantee policy	22.29	20.05	20.87	19.57	17.11	2.24	(0.82)
PS2 100/100 guarantee policy	22.27	20.03	20.85	19.55	17.09	2.24	(0.82)
PS 75/100 guarantee policy	12.50	11.47	12.19	11.67	10.41	1.03	(0.72)

Canadian Asset Allocation Fund (Fidelity) SF191

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Canadian Asset Allocation Fund (Fidelity) SF191 (the Fund) is offered by The Canada Life Assurance Company (Canada Life or the Company).

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

Canadian Asset Allocation Fund (Fidelity) SF191

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

Canadian Asset Allocation Fund (Fidelity) SF191

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in note 9 on Financial Instrument Risk Management.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

Canadian Asset Allocation Fund (Fidelity) SF191

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Investment Fund Units

Investment fund units are recorded at fair value, which is the closing net asset value (NAV) per unit of the underlying fund.

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Canadian Asset Allocation Fund (Fidelity) SF191

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

Canadian Asset Allocation Fund (Fidelity) SF191

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

k) Income Allocation

Net gain (loss) on investments, which includes realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the NAV per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

3. INVESTMENT FUND UNITS

Investment fund units of the Fund invest solely in underlying mutual funds.

As the Fund's assets are invested in underlying investment funds, the Fund indirectly pays management fees and operating expenses of the underlying funds. All such charges are included in the management expense ratio of the segregated funds.

Distributions of income from the underlying investment funds are shown as net gain (loss) on investments on the Statement of Comprehensive Income.

Investment activity of the underlying fund indirectly exposes the Fund to financial risk. See note 9 on Financial Instrument Risk Management.

Investments in unconsolidated structured entities

The Company has determined that the Fund meets the definition of an investment entity and as such, accounts for its holdings in unlisted open-ended investment funds at FVTPL. The Company has concluded that the underlying funds in which the Fund invests, but do not consolidate, meet the definition of structured entities because: (i) the voting rights in the underlying funds are not dominant rights in deciding who controls them; (ii) each underlying fund's activities are restricted by its prospectus; and (iii) the underlying funds have narrow and well-defined objectives to provide investment opportunities to investors.

Canadian Asset Allocation Fund (Fidelity) SF191

Notes to the Financial Statements

(in Canadian \$ thousands)

4. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Emperor,
- Flex,
- Generations/Mosaic,
- Generations I,
- Generations II,
- Generations Core,
- Prestige/Prestige Plus, and
- Private Collections.

In addition to the Individual units, units are available for:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

The categories of units, and the various levels within each, are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

Canadian Asset Allocation Fund (Fidelity) SF191

Notes to the Financial Statements

(in Canadian \$ thousands)

5. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

6. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

7. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

Canadian Asset Allocation Fund (Fidelity) SF191

Notes to the Financial Statements

(in Canadian \$ thousands)

8. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.

Canadian Asset Allocation Fund (Fidelity) SF191

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT

a) Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023. The following sections describe the significant risks that are relevant to the Fund.

To assist with managing risk, the Fund Manager maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and securities regulations. Financial statements for the underlying funds, which include discussions about their respective risk exposure, are available upon request.

b) Liquidity Risk

Liquidity risk arises when a Fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units. As the Fund primarily invests all of its net assets in the underlying funds, liquidity risk is mitigated by the underlying funds' ability to meet the obligation to fund daily cash redemptions of their redeemable units/shares. In addition, the underlying funds retain sufficient cash and cash equivalent positions to maintain adequate liquidity.

c) Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The Fund's investments in all underlying funds are denominated in Canadian dollars. However, the Fund is indirectly exposed to currency risk to the extent that the investments of the underlying funds are denominated or traded in a foreign currency.

d) Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund does not directly hold any interest-bearing financial instruments. The Fund is indirectly exposed to the risk that the value of interest-bearing financial instruments held by the underlying funds will fluctuate due to changes in the prevailing levels of market interest rates.

e) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund has no direct exposure to credit risk. The greatest indirect concentration of credit risk is in debt securities, such as bonds, held by underlying funds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer.

f) Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. For the instruments held by the Fund, maximum risk of loss is equivalent to their fair value. The Fund Manager moderates this risk through a careful selection of underlying funds within the parameters of the investment strategy.

g) Fair Value Classification

Investment Fund Units are recorded at fair value, which is the closing NAV per unit of the underlying fund. This valuation is considered to be a Level 1 classification.

Canadian Asset Allocation Fund (Fidelity) SF191

Supplemental Information (unaudited)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾

For the years ended December 31	2023	2022	2021	2020	2019
Generations/Mosaic	3.18	3.18	3.19	3.21	3.19
Generations I	3.15	3.15	3.15	3.17	3.16
Generations II	3.46	3.46	3.47	3.48	3.47
Generations Core	2.92	2.93	2.93	2.95	2.94
75/75 guarantee policy	2.93	2.93	2.94	2.95	2.94
75/100 guarantee policy	3.15	3.16	3.16	3.18	3.16
100/100 guarantee policy	3.46	3.46	3.47	3.48	3.47
PS1 75/75 guarantee policy	2.50	2.50	2.50	2.52	2.50
PS1 75/100 guarantee policy	2.66	2.66	2.67	2.69	2.67
PS1 100/100 guarantee policy	2.88	2.89	2.89	2.91	2.89
PS 75/100 guarantee policy	2.04	2.05	2.05	2.07	2.04

Portfolio Turnover Rate (%) ⁽²⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	0.10	0.38	1.72	0.40	0.35

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
BALANCED FUND (GREYSTONE) SF208

December 31, 2023

Independent Auditor's Report

To the Contractholders of Balanced Fund (Greystone) SF208 (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

Balanced Fund (Greystone) SF208

(in Canadian \$ thousands)

Fund Manager: TD Asset Management Inc.

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ —	\$ —
Investment income due and accrued	—	—
Due from The Canada Life Assurance Company (note 8)	—	67
Due from brokers	—	22
Due from outside parties	—	—
Investments		
Investment fund units (note 3)	<u>291,906</u>	<u>277,184</u>
Total investments	<u>291,906</u>	<u>277,184</u>
Total assets	<u>\$ 291,906</u>	<u>\$ 277,273</u>
Liabilities		
Overdrafts	\$ 54	\$ 3,751
Due to The Canada Life Assurance Company (note 8)	260	—
Due to brokers	1	—
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	<u>315</u>	<u>3,751</u>
Net assets attributable to contractholders	<u>\$ 291,591</u>	<u>\$ 273,522</u>

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 30,404	\$ (26,355)
Miscellaneous income (loss)	—	—
Total income (loss)	<u>30,404</u>	<u>(26,355)</u>
Expenses		
Management fees (note 8)	6,832	6,678
Other	654	644
Total expenses	<u>7,486</u>	<u>7,322</u>
Net increase (decrease) in net assets from operations attributable to contractholders	<u>\$ 22,918</u>	<u>\$ (33,677)</u>

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year	\$ 273,522	\$ 286,102
Contractholder deposits	35,192	45,019
Contractholder withdrawals	(40,041)	(23,922)
Increase (decrease) in net assets from operations attributable to contractholders	<u>22,918</u>	<u>(33,677)</u>
Change in net assets attributable to contractholders	<u>18,069</u>	<u>(12,580)</u>
Net assets attributable to contractholders - end of year	<u>\$ 291,591</u>	<u>\$ 273,522</u>

Balanced Fund (Greystone) SF208

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 22,918	\$ (33,677)
Adjustments		
Realized (gains) losses	1,432	964
Unrealized (gains) losses	15,725	41,368
Gross proceeds of disposition of investments	32,428	20,484
Gross payments for the purchase of investments	(16,746)	(38,183)
Distribution income of underlying mutual fund	(47,561)	(15,977)
Change in due from/to The Canada Life Assurance Company	327	45
Change in due from/to brokers	23	(102)
	<u>8,546</u>	<u>(25,078)</u>
Financing Activities		
Contractholder deposits	35,192	45,019
Contractholder withdrawals	(40,041)	(23,922)
	<u>(4,849)</u>	<u>21,097</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	3,697	(3,981)
Cash, short-term deposits and overdrafts, beginning of year	(3,751)	230
Cash, short-term deposits and overdrafts, end of year	\$ (54)	\$ (3,751)

Balanced Fund (Greystone) SF208

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units)

As at December 31, 2023

	<u>No. of Units</u>	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units			
TD Greystone Balanced Fund Pooled	8,049,380	303,743	291,906
Total Investments		303,743	291,906

Top Holdings

Underlying fund: Greystone Canadian Equity Fund

Security Description	% of Total
Royal Bank of Canada	8.62%
The Toronto-Dominion Bank	7.61%
Bank of Montreal	6.93%
Canadian Natural Resources Ltd.	6.47%
Canadian Pacific Kansas City Ltd.	6.00%

Underlying fund: Greystone International Equity Fund

Security Description	% of Total
Novo Nordisk AS	3.56%
TotalEnergies SE	3.20%
Wolters Kluwer NV	2.96%
National Australia Bank Ltd.	2.94%
ITOCHU Corp.	2.81%

Balanced Fund (Greystone) SF208

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Net Assets Attributable to Contractholders by Category

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
Prestige/Prestige Plus	—	1,385	7,537	7,298	6,655	—	30	183	162	137
75/75 guarantee policy	1,307,231	1,416,479	1,438,846	1,122,815	855,264	25,417	25,412	29,084	20,592	14,379
75/100 guarantee policy	8,958,851	9,268,554	8,488,541	5,926,628	3,521,365	170,923	163,641	169,359	107,601	58,782
100/100 guarantee policy	199,538	192,882	211,450	157,150	134,916	3,724	3,336	4,139	2,804	2,216
PS1 75/75 guarantee policy	664,525	680,033	601,202	417,697	207,824	13,106	12,333	12,242	7,690	3,495
PS1 75/100 guarantee policy	2,348,951	2,234,204	1,966,720	1,109,646	609,074	45,527	39,883	39,485	20,175	10,132
PS1 100/100 guarantee policy	242,113	228,520	221,472	143,890	95,709	4,568	3,980	4,348	2,564	1,563
PS2 75/75 guarantee policy	40,948	43,283	59,960	39,237	29,239	1,054	1,001	1,522	880	585
PS2 75/100 guarantee policy	342,165	327,070	340,995	206,121	95,221	8,809	7,565	8,653	4,620	1,906
PS2 100/100 guarantee policy	21,901	20,983	14,973	—	—	563	485	379	—	—
PS 75/75 guarantee policy	59,664	90,287	96,677	36,073	3,179	783	1,081	1,290	432	34
PS 75/100 guarantee policy	1,060,719	969,113	921,304	442,809	216,610	13,691	11,449	12,166	5,263	2,342
PS 100/100 guarantee policy	16,210	16,374	16,540	8,850	—	207	192	217	105	—
PPS 75/75 guarantee policy	51,648	50,384	51,611	43,719	11,696	691	613	697	528	128
PPS 75/100 guarantee policy	155,872	158,408	140,411	54,578	12,287	2,065	1,912	1,885	656	134
PPS 100/100 guarantee policy	35,360	50,926	33,958	5,894	—	463	609	453	71	—

Net Assets Attributable to Contractholders Per Unit (note 7)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
Prestige/Prestige Plus	—	21.46	24.35	22.25	20.54	—	(2.89)
75/75 guarantee policy	19.44	17.94	20.21	18.34	16.81	1.50	(2.27)
75/100 guarantee policy	19.08	17.66	19.95	18.16	16.69	1.42	(2.29)
100/100 guarantee policy	18.66	17.30	19.58	17.84	16.43	1.36	(2.28)
PS1 75/75 guarantee policy	19.72	18.14	20.36	18.41	16.82	1.58	(2.22)
PS1 75/100 guarantee policy	19.38	17.85	20.08	18.18	16.63	1.53	(2.23)
PS1 100/100 guarantee policy	18.87	17.42	19.63	17.82	16.34	1.45	(2.21)
PS2 75/75 guarantee policy	25.75	23.13	25.38	22.42	20.02	2.62	(2.25)
PS2 75/100 guarantee policy	25.74	23.13	25.37	22.41	20.01	2.61	(2.24)
PS2 100/100 guarantee policy	25.70	23.09	25.33	—	—	2.61	(2.24)
PS 75/75 guarantee policy	13.12	11.97	13.34	11.97	10.86	1.15	(1.37)
PS 75/100 guarantee policy	12.91	11.81	13.21	11.89	10.81	1.10	(1.40)
PS 100/100 guarantee policy	12.80	11.73	13.14	11.84	—	1.07	(1.41)
PPS 75/75 guarantee policy	13.37	12.16	13.51	12.08	10.91	1.21	(1.35)
PPS 75/100 guarantee policy	13.25	12.07	13.43	12.03	10.89	1.18	(1.36)
PPS 100/100 guarantee policy	13.09	11.95	13.33	11.96	—	1.14	(1.38)

Balanced Fund (Greystone) SF208

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Balanced Fund (Greystone) SF208 (the Fund) is offered by The Canada Life Assurance Company (Canada Life or the Company).

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

Balanced Fund (Greystone) SF208

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

Balanced Fund (Greystone) SF208

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in note 9 on Financial Instrument Risk Management.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

Balanced Fund (Greystone) SF208

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Investment Fund Units

Investment fund units are recorded at fair value, which is the closing net asset value (NAV) per unit of the underlying fund.

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Balanced Fund (Greystone) SF208

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

Balanced Fund (Greystone) SF208

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

k) Income Allocation

Net gain (loss) on investments, which includes realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the NAV per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

3. INVESTMENT FUND UNITS

Investment fund units of the Fund invest solely in underlying mutual funds.

As the Fund's assets are invested in underlying investment funds, the Fund indirectly pays management fees and operating expenses of the underlying funds. All such charges are included in the management expense ratio of the segregated funds.

Distributions of income from the underlying investment funds are shown as net gain (loss) on investments on the Statement of Comprehensive Income.

Investment activity of the underlying fund indirectly exposes the Fund to financial risk. See note 9 on Financial Instrument Risk Management.

Investments in unconsolidated structured entities

The Company has determined that the Fund meets the definition of an investment entity and as such, accounts for its holdings in unlisted open-ended investment funds at FVTPL. The Company has concluded that the underlying funds in which the Fund invests, but do not consolidate, meet the definition of structured entities because: (i) the voting rights in the underlying funds are not dominant rights in deciding who controls them; (ii) each underlying fund's activities are restricted by its prospectus; and (iii) the underlying funds have narrow and well-defined objectives to provide investment opportunities to investors.

Balanced Fund (Greystone) SF208

Notes to the Financial Statements

(in Canadian \$ thousands)

4. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Emperor,
- Flex,
- Generations/Mosaic,
- Generations I,
- Generations II,
- Generations Core,
- Prestige/Prestige Plus, and
- Private Collections.

In addition to the Individual units, units are available for:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

The categories of units, and the various levels within each, are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

Balanced Fund (Greystone) SF208

Notes to the Financial Statements

(in Canadian \$ thousands)

5. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

6. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

7. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

Balanced Fund (Greystone) SF208

Notes to the Financial Statements

(in Canadian \$ thousands)

8. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.

Balanced Fund (Greystone) SF208

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT

a) Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023. The following sections describe the significant risks that are relevant to the Fund.

To assist with managing risk, the Fund Manager maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and securities regulations. Financial statements for the underlying funds, which include discussions about their respective risk exposure, are available upon request.

b) Liquidity Risk

Liquidity risk arises when a Fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units. As the Fund primarily invests all of its net assets in the underlying funds, liquidity risk is mitigated by the underlying funds' ability to meet the obligation to fund daily cash redemptions of their redeemable units/shares. In addition, the underlying funds retain sufficient cash and cash equivalent positions to maintain adequate liquidity.

c) Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The Fund's investments in all underlying funds are denominated in Canadian dollars. However, the Fund is indirectly exposed to currency risk to the extent that the investments of the underlying funds are denominated or traded in a foreign currency.

d) Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund does not directly hold any interest-bearing financial instruments. The Fund is indirectly exposed to the risk that the value of interest-bearing financial instruments held by the underlying funds will fluctuate due to changes in the prevailing levels of market interest rates.

e) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund has no direct exposure to credit risk. The greatest indirect concentration of credit risk is in debt securities, such as bonds, held by underlying funds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer.

f) Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. For the instruments held by the Fund, maximum risk of loss is equivalent to their fair value. The Fund Manager moderates this risk through a careful selection of underlying funds within the parameters of the investment strategy.

g) Fair Value Classification

Investment Fund Units are recorded at fair value, which is the closing NAV per unit of the underlying fund. This valuation is considered to be a Level 1 classification.

Balanced Fund (Greystone) SF208

Supplemental Information (unaudited)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾

For the years ended December 31	2023	2022	2021	2020	2019
Prestige/Prestige Plus	—	3.38	3.37	3.38	3.37
75/75 guarantee policy	2.66	2.67	2.67	2.67	2.67
75/100 guarantee policy	2.95	2.96	2.96	2.97	2.96
100/100 guarantee policy	3.11	3.12	3.11	3.12	3.12
PS1 75/75 guarantee policy	2.31	2.32	2.32	2.31	2.32
PS1 75/100 guarantee policy	2.48	2.48	2.48	2.47	2.49
PS1 100/100 guarantee policy	2.70	2.70	2.70	2.69	2.71
PS 75/75 guarantee policy	1.57	1.57	1.57	1.57	1.57
PS 75/100 guarantee policy	1.86	1.86	1.87	1.88	1.87
PS 100/100 guarantee policy	2.02	2.02	2.03	2.03	—
PPS 75/75 guarantee policy	1.22	1.22	1.23	1.21	1.22
PPS 75/100 guarantee policy	1.39	1.39	1.39	1.37	1.39
PPS 100/100 guarantee policy	1.60	1.60	1.60	1.61	—

Unsubsidized Management Expense Ratio (%) ⁽²⁾

For the years ended December 31	2023	2022	2021	2020	2019
PS1 75/75 guarantee policy	2.31	2.32	2.32	2.33	2.32
PS1 75/100 guarantee policy	2.48	2.48	2.48	2.49	2.49
PS1 100/100 guarantee policy	2.70	2.70	2.70	2.71	2.71
PPS 75/75 guarantee policy	1.22	1.22	1.23	1.23	1.22
PPS 75/100 guarantee policy	1.39	1.39	1.39	1.39	1.39
PPS 100/100 guarantee policy	1.60	1.60	1.60	1.63	—

Portfolio Turnover Rate (%) ⁽³⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	11.44	7.33	5.13	3.95	9.31

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The Company has waived a portion of the fees for the Preferred Series 1 and Preferred Partner Series guarantee policies. There is no obligation for the Company to continue waiving these fees and it may cease to do so at any time without notice.

(3) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
AMERICAN GROWTH FUND (AGF) SF247

December 31, 2023

Independent Auditor's Report

To the Contractholders of American Growth Fund (AGF) SF247 (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

American Growth Fund (AGF) SF247

(in Canadian \$ thousands)

Fund Manager: AGF Investments Inc.

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ 583	\$ —
Investment income due and accrued	—	—
Due from The Canada Life Assurance Company (note 8)	405	109
Due from brokers	—	—
Due from outside parties	—	—
Investments		
Investment fund units (note 3)	555,135	484,322
Total investments	555,135	484,322
Total assets	\$ 556,123	\$ 484,431
Liabilities		
Overdrafts	\$ —	\$ 1,442
Due to The Canada Life Assurance Company (note 8)	—	—
Due to brokers	333	45
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	333	1,487
Net assets attributable to contractholders	\$ 555,790	\$ 482,944

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 85,760	\$ (34,462)
Miscellaneous income (loss)	—	—
Total income (loss)	85,760	(34,462)
Expenses		
Management fees (note 8)	10,973	9,595
Other	1,151	1,000
Total expenses	12,124	10,595
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 73,636	\$ (45,057)

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year	\$ 482,944	\$ 458,322
Contractholder deposits	65,529	107,542
Contractholder withdrawals	(66,319)	(37,863)
Increase (decrease) in net assets from operations attributable to contractholders	73,636	(45,057)
Change in net assets attributable to contractholders	72,846	24,622
Net assets attributable to contractholders - end of year	\$ 555,790	\$ 482,944

American Growth Fund (AGF) SF247

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 73,636	\$ (45,057)
Adjustments		
Realized (gains) losses	(16,095)	(6,331)
Unrealized (gains) losses	(56,291)	40,793
Gross proceeds of disposition of investments	39,493	15,594
Gross payments for the purchase of investments	(24,546)	(76,750)
Distribution income of underlying mutual fund	(13,374)	—
Change in due from/to The Canada Life Assurance Company	(296)	47
Change in due from/to brokers	288	202
	<u>2,815</u>	<u>(71,502)</u>
Financing Activities		
Contractholder deposits	65,529	107,542
Contractholder withdrawals	(66,319)	(37,863)
	<u>(790)</u>	<u>69,679</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	2,025	(1,823)
Cash, short-term deposits and overdrafts, beginning of year	(1,442)	381
Cash, short-term deposits and overdrafts, end of year	\$ 583	\$ (1,442)

American Growth Fund (AGF) SF247

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units)

As at December 31, 2023

	<u>No. of Units</u>	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units			
AGF American Growth Fund Series O	2,961,135	314,474	555,135
Total Investments		314,474	555,135

Top 25 Holdings

Security Description	% of Total
Cash and short-term deposits	8.51%
Amazon.com Inc.	7.41%
NVIDIA Corp.	4.36%
Palo Alto Networks Inc.	4.06%
Eli Lilly and Co.	3.94%
Boston Scientific Corp.	3.78%
ServiceNow Inc.	3.72%
Intuitive Surgical Inc.	3.68%
Cheniere Energy Inc.	3.67%
Lam Research Corp.	3.64%
Quanta Services Inc.	3.56%
Raymond James Financial Inc.	3.51%
Howmet Aerospace Inc.	3.49%
Ameriprise Financial Inc.	3.31%
Booz Allen Hamilton Holding Corp.	3.23%
HubSpot Inc.	2.96%
Arista Networks Inc.	2.89%
Marathon Petroleum Corp.	2.59%
Primerica Inc.	2.52%
Lamb Weston Holdings Inc.	2.50%
Roku Inc.	2.30%
Hilton Worldwide Holdings Inc.	2.29%
The Boeing Co.	2.15%
T-Mobile US Inc.	2.13%
Jacobs Solutions Inc.	1.90%

American Growth Fund (AGF) SF247

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance. Portfolio units are allocated to each category as described in note 4 and are not included on this page.

Net Assets Attributable to Contractholders by Category

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
Generations/Mosaic	1,196,104	1,469,832	1,513,645	1,669,873	1,757,043	25,379	27,394	31,538	29,118	21,715
Generations I	166,364	229,150	257,545	234,828	267,390	8,113	9,783	12,250	9,316	7,493
Generations II	83,124	125,018	129,579	137,624	107,473	3,228	4,266	4,945	4,396	2,434
Generations Core	95,559	111,919	118,968	131,893	207,322	4,050	4,141	4,891	4,511	4,995
75/75 guarantee policy	1,199,927	1,087,827	884,229	618,182	642,131	72,492	57,378	51,826	30,139	22,057
75/100 guarantee policy	2,088,371	2,071,510	1,779,320	1,402,692	1,292,760	122,788	106,619	102,034	67,087	43,676
100/100 guarantee policy	363,420	348,913	366,168	337,013	356,968	20,258	17,089	20,057	15,454	11,606
PS1 75/75 guarantee policy	831,329	653,435	470,051	216,942	167,145	41,869	28,617	22,783	8,711	4,710
PS1 75/100 guarantee policy	2,428,437	2,447,733	1,787,311	1,322,326	823,479	118,339	104,007	84,282	51,803	22,700
PS1 100/100 guarantee policy	188,197	185,163	216,871	198,104	126,501	8,761	7,545	9,845	7,500	3,383
PS2 75/75 guarantee policy	40,572	50,363	50,734	40,245	47,387	2,756	2,898	3,149	2,017	1,624
PS2 75/100 guarantee policy	68,081	68,074	56,985	32,693	49,051	4,623	3,917	3,536	1,638	1,681
PS2 100/100 guarantee policy	24,134	26,416	11,735	8,389	11,396	1,639	1,520	728	420	390
PS 75/75 guarantee policy	27,894	34,101	22,663	6,089	3,080	506	535	390	86	30
PS 75/100 guarantee policy	82,270	90,687	58,482	24,978	5,816	1,472	1,405	998	352	57
PS 100/100 guarantee policy	28,241	31,997	18,831	2,248	193	495	488	317	31	2
PPS 75/75 guarantee policy	24,747	27,772	20,971	9,414	—	460	444	367	135	—
PPS 75/100 guarantee policy	118,667	84,191	38,168	14,734	18,465	2,169	1,327	661	210	183
PPS 100/100 guarantee policy	28,701	18,666	—	380	29,106	514	289	—	5	286

Net Assets Attributable to Contractholders Per Unit (note 7)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
Generations/Mosaic	21.22	18.64	20.84	17.44	12.36	2.58	(2.20)
Generations I	48.77	42.69	47.56	39.67	28.02	6.08	(4.87)
Generations II	38.83	34.12	38.16	31.95	22.65	4.71	(4.04)
Generations Core	42.38	37.00	41.11	34.20	24.10	5.38	(4.11)
75/75 guarantee policy	60.41	52.75	58.61	48.75	34.35	7.66	(5.86)
75/100 guarantee policy	58.80	51.47	57.34	47.83	33.78	7.33	(5.87)
100/100 guarantee policy	55.74	48.98	54.78	45.86	32.51	6.76	(5.80)
PS1 75/75 guarantee policy	50.36	43.79	48.47	40.16	28.18	6.57	(4.68)
PS1 75/100 guarantee policy	48.73	42.49	47.16	39.18	27.57	6.24	(4.67)
PS1 100/100 guarantee policy	46.55	40.75	45.40	37.86	26.74	5.80	(4.65)
PS2 75/75 guarantee policy	67.92	57.55	62.07	50.11	34.27	10.37	(4.52)
PS2 75/100 guarantee policy	67.91	57.54	62.06	50.10	34.27	10.37	(4.52)
PS2 100/100 guarantee policy	67.89	57.53	62.04	50.09	34.26	10.36	(4.51)
PS 75/75 guarantee policy	18.15	15.68	17.23	14.17	9.88	2.47	(1.55)
PS 75/100 guarantee policy	17.89	15.49	17.07	14.08	9.84	2.40	(1.58)
PS 100/100 guarantee policy	17.53	15.24	16.85	13.95	9.79	2.29	(1.61)
PPS 75/75 guarantee policy	18.60	16.00	17.51	14.35	—	2.60	(1.51)
PPS 75/100 guarantee policy	18.28	15.77	17.31	14.22	9.90	2.51	(1.54)
PPS 100/100 guarantee policy	17.90	15.50	—	14.09	9.84	2.40	(1.58)

American Growth Fund (AGF) SF247

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The American Growth Fund (AGF) SF247 (the Fund) is offered by The Canada Life Assurance Company (Canada Life or the Company).

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

American Growth Fund (AGF) SF247

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

American Growth Fund (AGF) SF247

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in note 9 on Financial Instrument Risk Management.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

American Growth Fund (AGF) SF247

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Investment Fund Units

Investment fund units are recorded at fair value, which is the closing net asset value (NAV) per unit of the underlying fund.

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

American Growth Fund (AGF) SF247

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

American Growth Fund (AGF) SF247

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

k) Income Allocation

Net gain (loss) on investments, which includes realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the NAV per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

3. INVESTMENT FUND UNITS

Investment fund units of the Fund invest solely in underlying mutual funds.

As the Fund's assets are invested in underlying investment funds, the Fund indirectly pays management fees and operating expenses of the underlying funds. All such charges are included in the management expense ratio of the segregated funds.

Distributions of income from the underlying investment funds are shown as net gain (loss) on investments on the Statement of Comprehensive Income.

Investment activity of the underlying fund indirectly exposes the Fund to financial risk. See note 9 on Financial Instrument Risk Management.

Investments in unconsolidated structured entities

The Company has determined that the Fund meets the definition of an investment entity and as such, accounts for its holdings in unlisted open-ended investment funds at FVTPL. The Company has concluded that the underlying funds in which the Fund invests, but do not consolidate, meet the definition of structured entities because: (i) the voting rights in the underlying funds are not dominant rights in deciding who controls them; (ii) each underlying fund's activities are restricted by its prospectus; and (iii) the underlying funds have narrow and well-defined objectives to provide investment opportunities to investors.

American Growth Fund (AGF) SF247

Notes to the Financial Statements

(in Canadian \$ thousands)

4. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Emperor,
- Flex,
- Generations/Mosaic,
- Generations I,
- Generations II,
- Generations Core,
- Prestige/Prestige Plus, and
- Private Collections.

In addition to the Individual units, units are available for:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

Portfolio units are those units owned by the Asset Allocation Funds. Each Portfolio fund is represented by a separate category.

The categories of units, and the various levels within each, are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

American Growth Fund (AGF) SF247

Notes to the Financial Statements

(in Canadian \$ thousands)

5. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

6. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

7. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

American Growth Fund (AGF) SF247

Notes to the Financial Statements

(in Canadian \$ thousands)

8. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.

American Growth Fund (AGF) SF247

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT

a) Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023. The following sections describe the significant risks that are relevant to the Fund.

To assist with managing risk, the Fund Manager maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and securities regulations. Financial statements for the underlying funds, which include discussions about their respective risk exposure, are available upon request.

b) Liquidity Risk

Liquidity risk arises when a Fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units. As the Fund primarily invests all of its net assets in the underlying funds, liquidity risk is mitigated by the underlying funds' ability to meet the obligation to fund daily cash redemptions of their redeemable units/shares. In addition, the underlying funds retain sufficient cash and cash equivalent positions to maintain adequate liquidity.

c) Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The Fund's investments in all underlying funds are denominated in Canadian dollars. However, the Fund is indirectly exposed to currency risk to the extent that the investments of the underlying funds are denominated or traded in a foreign currency.

d) Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund does not directly hold any interest-bearing financial instruments. The Fund is indirectly exposed to the risk that the value of interest-bearing financial instruments held by the underlying funds will fluctuate due to changes in the prevailing levels of market interest rates.

e) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund has no direct exposure to credit risk. The greatest indirect concentration of credit risk is in debt securities, such as bonds, held by underlying funds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer.

f) Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. For the instruments held by the Fund, maximum risk of loss is equivalent to their fair value. The Fund Manager moderates this risk through a careful selection of underlying funds within the parameters of the investment strategy.

g) Fair Value Classification

Investment Fund Units are recorded at fair value, which is the closing NAV per unit of the underlying fund. This valuation is considered to be a Level 1 classification.

American Growth Fund (AGF) SF247

Supplemental Information (unaudited)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾

For the years ended December 31	2023	2022	2021	2020	2019
Generations/Mosaic	3.60	3.60	3.59	3.57	3.57
Generations I	3.26	3.26	3.25	3.23	3.23
Generations II	3.63	3.63	3.63	3.60	3.60
Generations Core	2.99	3.00	2.99	2.97	2.97
75/75 guarantee policy	2.99	2.99	2.98	2.97	2.97
75/100 guarantee policy	3.26	3.25	3.25	3.23	3.23
100/100 guarantee policy	3.63	3.64	3.62	3.60	3.60
PS1 75/75 guarantee policy	2.59	2.58	2.57	2.56	2.57
PS1 75/100 guarantee policy	2.86	2.86	2.85	2.83	2.84
PS1 100/100 guarantee policy	3.25	3.26	3.24	3.22	3.22
PS 75/75 guarantee policy	1.89	1.88	1.87	1.87	1.87
PS 75/100 guarantee policy	2.16	2.15	2.14	2.13	2.13
PS 100/100 guarantee policy	2.53	2.52	2.53	2.51	2.52
PPS 75/75 guarantee policy	1.49	1.48	1.48	1.48	—
PPS 75/100 guarantee policy	1.76	1.75	1.75	1.75	1.73
PPS 100/100 guarantee policy	2.15	2.15	—	2.17	2.13

Portfolio Turnover Rate (%) ⁽²⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	4.79	3.46	4.65	12.96	3.33

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
CANADIAN GROWTH & INCOME FUND (AGF) SF249

December 31, 2023

Independent Auditor's Report

To the Contractholders of Canadian Growth & Income Fund (AGF) SF249 (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

Canadian Growth & Income Fund (AGF) SF249

(in Canadian \$ thousands)

Fund Manager: Canada Life Investment Management Ltd.

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ —	\$ 116
Investment income due and accrued	—	—
Due from The Canada Life Assurance Company (note 8)	—	81
Due from brokers	47	—
Due from outside parties	—	—
Investments		
Investment fund units (note 3)	21,937	17,884
Total investments	21,937	17,884
Total assets	\$ 21,984	\$ 18,081
Liabilities		
Overdrafts	\$ 47	\$ —
Due to The Canada Life Assurance Company (note 8)	3	—
Due to brokers	—	—
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	50	—
Net assets attributable to contractholders	\$ 21,934	\$ 18,081

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 1,922	\$ (1,626)
Miscellaneous income (loss)	—	—
Total income (loss)	1,922	(1,626)
Expenses		
Management fees (note 8)	387	319
Other	43	32
Total expenses	430	351
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 1,492	\$ (1,977)

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year		
	\$ 18,081	\$ 14,231
Contractholder deposits	4,936	7,594
Contractholder withdrawals	(2,575)	(1,767)
Increase (decrease) in net assets from operations attributable to contractholders	1,492	(1,977)
Change in net assets attributable to contractholders	3,853	3,850
Net assets attributable to contractholders - end of year	\$ 21,934	\$ 18,081

Canadian Growth & Income Fund (AGF) SF249

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 1,492	\$ (1,977)
Adjustments		
Realized (gains) losses	155	211
Unrealized (gains) losses	(1,458)	1,800
Gross proceeds of disposition of investments	3,142	2,158
Gross payments for the purchase of investments	(5,273)	(7,451)
Distribution income of underlying mutual fund	(619)	(385)
Change in due from/to The Canada Life Assurance Company	84	(83)
Change in due from/to brokers	(47)	(67)
	<u>(2,524)</u>	<u>(5,794)</u>
Financing Activities		
Contractholder deposits	4,936	7,594
Contractholder withdrawals	(2,575)	(1,767)
	<u>2,361</u>	<u>5,827</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	(163)	33
Cash, short-term deposits and overdrafts, beginning of year	116	83
Cash, short-term deposits and overdrafts, end of year	\$ (47)	\$ 116

Canadian Growth & Income Fund (AGF) SF249

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units)

As at December 31, 2023

	<u>No. of Units</u>	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units			
Canada Life Sustainable Conservative Portfolio Fund Series S *	2,328,694	22,363	21,937
Total Investments		22,364	21,937

Top Holdings

Underlying fund: Canada Life ESG U.S. Equity Fund

Security Description	% of Total
Microsoft Corp.	7.33%
Apple Inc.	6.98%
Amazon.com Inc.	3.82%
NVIDIA Corp.	3.26%
Alphabet Inc. Class A	2.09%

Underlying fund: Canada Life International Equity Fund

Security Description	% of Total
ASML Holding NV	3.27%
Shell PLC	3.01%
Nestle SA	2.83%
BHP Group Ltd.	2.53%
Shin-Etsu Chemical Co. Ltd.	2.32%

Underlying fund: Canada Life Sustainable Emerging Markets Equity Fund

Security Description	% of Total
Taiwan Semiconductor Manufacturing Co. Ltd. ADR	8.93%
Tencent Holdings Ltd.	5.31%
HDFC Bank Ltd. ADR	2.90%
PT Bank Central Asia TBK	2.86%
FirstRand Ltd.	2.77%

*The issuer of this security is a related company to the issuer of the Fund.

Canadian Growth & Income Fund (AGF) SF249

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units)

As at December 31, 2023

	<u>No. of Units</u>	<u>Average Cost</u>	<u>Fair Value</u>
Top Holdings (continued)			

Underlying fund: Canada Life Sustainable Global Bond Fund

Security Description	% of Total
Government of Italy 4.00% 11-15-2030	4.93%
Government of Italy 3.40% 04-01-2028	3.72%
Government of United Kingdom 3.25% 01-31-2033	3.72%
United States Treasury 4.50% 11-15-2033	3.58%
European Union 1.00% 07-06-2032	3.16%

Canadian Growth & Income Fund (AGF) SF249

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Net Assets Attributable to Contractholders by Category

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
Generations/Mosaic	125,916	141,338	173,505	203,834	214,801	2,856	2,986	4,178	4,761	4,776
Generations I	93,230	121,619	136,922	150,983	186,836	1,508	1,830	2,345	2,498	2,931
Generations II	11,254	14,215	19,163	27,504	30,644	156	183	282	392	415
Generations Core	36,006	36,352	40,833	46,715	45,651	521	489	623	688	637
75/75 guarantee policy	116,630	69,974	53,387	53,621	66,547	1,797	1,001	866	840	988
75/100 guarantee policy	410,039	352,603	166,441	156,684	194,330	6,243	4,995	2,684	2,441	2,870
100/100 guarantee policy	15,257	25,245	23,167	23,556	27,409	226	348	365	359	397
PS1 75/75 guarantee policy	25,017	34,783	20,594	16,178	15,265	409	527	353	267	238
PS1 75/100 guarantee policy	391,502	290,954	131,577	124,019	122,397	6,294	4,335	2,223	2,018	1,882
PS1 100/100 guarantee policy	7,702	920	1,538	1,705	1,767	121	13	25	27	27
PS2 75/75 guarantee policy	1,915	2,138	—	—	2,630	41	42	—	—	49
PS2 75/100 guarantee policy	10,957	18,945	10,779	11,554	10,797	235	369	233	235	202
PS2 100/100 guarantee policy	—	—	—	—	2,198	—	—	—	—	41
PS 75/75 guarantee policy	3,653	457	475	514	556	42	5	6	6	6
PS 75/100 guarantee policy	32,841	25,714	4,010	—	—	375	271	48	—	—
PPS 75/75 guarantee policy	20,566	20,601	—	—	—	241	221	—	—	—
PPS 75/100 guarantee policy	43,037	43,677	—	—	—	500	466	—	—	—
PPS 100/100 guarantee policy	32,115	—	—	—	—	369	—	—	—	—

Net Assets Attributable to Contractholders Per Unit (note 7)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
Generations/Mosaic	22.68	21.13	24.08	23.36	22.24	1.55	(2.95)
Generations I	16.17	15.05	17.13	16.55	15.69	1.12	(2.08)
Generations II	13.83	12.90	14.72	14.25	13.54	0.93	(1.82)
Generations Core	14.48	13.44	15.25	14.73	13.95	1.04	(1.81)
75/75 guarantee policy	15.41	14.30	16.23	15.67	14.84	1.11	(1.93)
75/100 guarantee policy	15.23	14.17	16.13	15.58	14.77	1.06	(1.96)
100/100 guarantee policy	14.79	13.79	15.74	15.24	14.48	1.00	(1.95)
PS1 75/75 guarantee policy	16.36	15.15	17.16	16.50	15.57	1.21	(2.01)
PS1 75/100 guarantee policy	16.08	14.90	16.89	16.27	15.38	1.18	(1.99)
PS1 100/100 guarantee policy	15.70	14.57	16.54	15.96	15.12	1.13	(1.97)
PS2 75/75 guarantee policy	21.43	19.46	—	—	18.72	1.97	(2.17)
PS2 75/100 guarantee policy	21.45	19.48	21.65	20.33	18.73	1.97	(2.17)
PS2 100/100 guarantee policy	—	—	—	—	18.75	—	—
PS 75/75 guarantee policy	11.50	10.59	11.92	11.38	10.66	0.91	(1.33)
PS 75/100 guarantee policy	11.40	10.52	11.88	—	—	0.88	(1.36)
PPS 75/75 guarantee policy	11.71	10.75	—	—	—	0.96	(1.32)
PPS 75/100 guarantee policy	11.62	10.67	—	—	—	0.95	(1.33)
PPS 100/100 guarantee policy	11.50	—	—	—	—	0.92	—

Canadian Growth & Income Fund (AGF) SF249

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Canadian Growth & Income Fund (AGF) SF249 (the Fund) is offered by The Canada Life Assurance Company (Canada Life or the Company).

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

Canadian Growth & Income Fund (AGF) SF249

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

Canadian Growth & Income Fund (AGF) SF249

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in note 9 on Financial Instrument Risk Management.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

Canadian Growth & Income Fund (AGF) SF249

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Investment Fund Units

Investment fund units are recorded at fair value, which is the closing net asset value (NAV) per unit of the underlying fund.

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Canadian Growth & Income Fund (AGF) SF249

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

Canadian Growth & Income Fund (AGF) SF249

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

k) Income Allocation

Net gain (loss) on investments, which includes realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the NAV per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

3. INVESTMENT FUND UNITS

Investment fund units of the Fund invest solely in underlying mutual funds.

As the Fund's assets are invested in underlying investment funds, the Fund indirectly pays management fees and operating expenses of the underlying funds. All such charges are included in the management expense ratio of the segregated funds.

Distributions of income from the underlying investment funds are shown as net gain (loss) on investments on the Statement of Comprehensive Income.

Investment activity of the underlying fund indirectly exposes the Fund to financial risk. See note 9 on Financial Instrument Risk Management.

Investments in unconsolidated structured entities

The Company has determined that the Fund meets the definition of an investment entity and as such, accounts for its holdings in unlisted open-ended investment funds at FVTPL. The Company has concluded that the underlying funds in which the Fund invests, but do not consolidate, meet the definition of structured entities because: (i) the voting rights in the underlying funds are not dominant rights in deciding who controls them; (ii) each underlying fund's activities are restricted by its prospectus; and (iii) the underlying funds have narrow and well-defined objectives to provide investment opportunities to investors.

Canadian Growth & Income Fund (AGF) SF249

Notes to the Financial Statements

(in Canadian \$ thousands)

4. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Emperor,
- Flex,
- Generations/Mosaic,
- Generations I,
- Generations II,
- Generations Core,
- Prestige/Prestige Plus, and
- Private Collections.

In addition to the Individual units, units are available for:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

The categories of units are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

Canadian Growth & Income Fund (AGF) SF249

Notes to the Financial Statements

(in Canadian \$ thousands)

5. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

6. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

7. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

Canadian Growth & Income Fund (AGF) SF249

Notes to the Financial Statements

(in Canadian \$ thousands)

8. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.
- c) The Fund invests in assets or underlying funds managed by Canada Life Investment Management Ltd. All investment transactions with the corresponding underlying funds are at quoted market prices.

Canadian Growth & Income Fund (AGF) SF249

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT

a) Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023. The following sections describe the significant risks that are relevant to the Fund.

To assist with managing risk, the Fund Manager maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and securities regulations. Financial statements for the underlying funds, which include discussions about their respective risk exposure, are available upon request.

b) Liquidity Risk

Liquidity risk arises when a Fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units. As the Fund primarily invests all of its net assets in the underlying funds, liquidity risk is mitigated by the underlying funds' ability to meet the obligation to fund daily cash redemptions of their redeemable units/shares. In addition, the underlying funds retain sufficient cash and cash equivalent positions to maintain adequate liquidity.

c) Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The Fund's investments in all underlying funds are denominated in Canadian dollars. However, the Fund is indirectly exposed to currency risk to the extent that the investments of the underlying funds are denominated or traded in a foreign currency.

d) Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund does not directly hold any interest-bearing financial instruments. The Fund is indirectly exposed to the risk that the value of interest-bearing financial instruments held by the underlying funds will fluctuate due to changes in the prevailing levels of market interest rates.

e) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund has no direct exposure to credit risk. The greatest indirect concentration of credit risk is in debt securities, such as bonds, held by underlying funds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer.

f) Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. For the instruments held by the Fund, maximum risk of loss is equivalent to their fair value. The Fund Manager moderates this risk through a careful selection of underlying funds within the parameters of the investment strategy.

g) Fair Value Classification

Investment Fund Units are recorded at fair value, which is the closing NAV per unit of the underlying fund. This valuation is considered to be a Level 1 classification.

Canadian Growth & Income Fund (AGF) SF249

Supplemental Information *(unaudited)*

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾

For the years ended December 31	2023	2022	2021	2020	2019
Generations/Mosaic	2.55	2.53	3.23	3.32	3.32
Generations I	2.44	2.42	2.82	2.88	2.88
Generations II	2.66	2.64	3.08	3.13	3.13
Generations Core	2.16	2.14	2.75	2.82	2.83
75/75 guarantee policy	2.16	2.14	2.74	2.82	2.82
75/100 guarantee policy	2.44	2.40	2.82	2.88	2.88
100/100 guarantee policy	2.66	2.63	3.07	3.13	3.14
PS1 75/75 guarantee policy	1.92	1.90	2.35	2.42	2.42
PS1 75/100 guarantee policy	2.03	2.00	2.51	2.58	2.59
PS1 100/100 guarantee policy	2.15	2.13	2.73	2.80	2.80
PS 75/75 guarantee policy	1.34	1.30	1.68	1.72	1.72
PS 75/100 guarantee policy	1.61	1.57	1.56	—	—
PPS 75/75 guarantee policy	1.09	1.08	—	—	—
PPS 75/100 guarantee policy	1.20	1.18	—	—	—
PPS 100/100 guarantee policy	1.31	—	—	—	—

Portfolio Turnover Rate (%) ⁽²⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	15.82	13.49	109.43	5.74	16.17

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
CANADIAN EQUITY FUND S-285LL

December 31, 2023

Independent Auditor's Report

To the Contractholders of Canadian Equity Fund S-285LL (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

Canadian Equity Fund S-285LL

(in Canadian \$ thousands)

Fund Manager: Mackenzie Investments

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ 1,683	\$ 964
Investment income due and accrued	293	204
Due from The Canada Life Assurance Company (note 7)	—	71
Due from brokers	—	—
Due from outside parties	—	—
Investments		
Bonds	—	—
Stocks	124,710	111,240
Investment fund units	—	—
Total investments	124,710	111,240
Total assets	\$ 126,686	\$ 112,479
Liabilities		
Overdrafts	\$ —	\$ —
Due to The Canada Life Assurance Company (note 7)	315	—
Due to brokers	—	175
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	315	175
Net assets attributable to contractholders	\$ 126,371	\$ 112,304

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 11,907	\$ (755)
Miscellaneous income (loss)	28	22
Total income (loss)	11,935	(733)
Expenses		
Management fees (note 7)	554	446
Transaction costs	9	18
Withholding taxes	—	—
Other	59	48
Total expenses	622	512
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 11,313	\$ (1,245)

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year	\$ 112,304	\$ 104,917
Contractholder deposits	13,582	18,621
Contractholder withdrawals	(10,828)	(9,989)
Increase (decrease) in net assets from operations attributable to contractholders	11,313	(1,245)
Change in net assets attributable to contractholders	14,067	7,387
Net assets attributable to contractholders - end of year	\$ 126,371	\$ 112,304

Canadian Equity Fund S-285LL

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 11,313	\$ (1,245)
Adjustments		
Realized (gains) losses	(871)	(2,856)
Unrealized (gains) losses	(7,021)	6,860
Gross proceeds of disposition of investments	3,727	8,579
Gross payments for the purchase of investments	(9,305)	(20,795)
Change in investment income due and accrued	(89)	18
Change in due from/to The Canada Life Assurance Company	386	(68)
Change in due from/to brokers	(175)	175
Change in due from/to outside parties	—	—
	<u>(2,035)</u>	<u>(9,332)</u>
Financing Activities		
Contractholder deposits	13,582	18,621
Contractholder withdrawals	(10,828)	(9,989)
	<u>2,754</u>	<u>8,632</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	719	(700)
Cash, short-term deposits and overdrafts, beginning of year	964	1,664
Cash, short-term deposits and overdrafts, end of year	\$ 1,683	\$ 964
Supplementary cash flow information		
Dividend income received	\$ 3,853	\$ 3,247

Canadian Equity Fund S-285LL

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or <u>Par Value</u>	Average <u>Cost</u>	Fair <u>Value</u>
Canadian Common Stock			
Communication Services			
Cogeco Communications Inc. sub. voting	8,540	575	507
Rogers Communications Inc. Class B non-voting	20,578	1,225	1,276
TELUS Corp.	62,300	1,664	1,469
TELUS International Inc.	34,945	1,065	398
Consumer Discretionary			
Canadian Tire Corp. Ltd. Class A non-voting	12,480	2,095	1,756
Dollarama Inc.	18,322	1,008	1,750
Gildan Activewear Inc.	31,180	1,196	1,366
Linamar Corp.	27,864	1,844	1,784
Sleep Country Canada Holdings Inc.	48,489	1,339	1,242
Consumer Staples			
Alimentation Couche-Tard Inc.	47,963	1,949	3,743
Empire Co. Ltd. Class A non-voting	45,997	1,656	1,612
Loblaw Companies Ltd.	19,297	1,306	2,475
Saputo Inc.	38,965	1,181	1,045
Energy			
Canadian Natural Resources Ltd.	57,027	2,254	4,951
Cenovus Energy Inc.	42,385	486	936
Enbridge Inc.	44,579	1,999	2,126
Suncor Energy Inc.	76,798	2,281	3,260
TC Energy Corp.	49,220	2,792	2,548
Tourmaline Oil Corp.	21,518	635	1,282
Exchange Traded Funds			
Mackenzie US Large Cap Index ETF *	30,526	4,412	5,511
Financials			
Bank of Montreal	37,438	4,262	4,908
Brookfield Asset Management Inc. Class A	12,533	445	667
Brookfield Corp.	51,947	2,062	2,761
Canadian Western Bank	33,812	1,037	1,044
Definity Financial Corp.	16,685	401	626

*The issuer of this security is a related company to the issuer of the Fund.

Canadian Equity Fund S-285LL

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or Par Value	Average Cost	Fair Value
Canadian Common Stock (continued)			
Financials (continued)			
ECN Capital Corp.	175,151	597	525
iA Financial Corp. Inc.	20,042	1,227	1,810
Intact Financial Corp.	10,791	1,652	2,200
Manulife Financial Corp.	90,600	2,030	2,653
Onex Corp. sub. voting	20,581	1,558	1,904
Royal Bank of Canada	64,015	6,955	8,579
Sun Life Financial Inc.	45,034	2,805	3,095
The Bank of Nova Scotia	49,205	3,399	3,174
The Toronto-Dominion Bank	88,432	6,321	7,573
Health Care			
DRI Healthcare Trust	97,219	984	1,213
Jamieson Wellness Inc.	23,200	770	736
Industrials			
Bombardier Inc. Class B sub. voting	10,713	327	570
CAE Inc.	43,004	1,498	1,230
Canadian National Railway Co.	27,484	3,640	4,577
Canadian Pacific Kansas City Ltd.	46,204	3,734	4,844
SNC-Lavalin Group Inc.	31,653	892	1,350
Stantec Inc.	4,711	219	501
Transcontinental Inc. Class A sub. voting	45,171	874	619
WSP Global Inc.	6,203	800	1,152
Information Technology			
CGI Group Inc. Class A sub. voting	24,194	2,324	3,434
Open Text Corp.	23,344	1,187	1,300
Shopify Inc.	10,425	671	1,075
Materials			
Agnico Eagle Mines Ltd.	36,354	2,866	2,641
Barrick Gold Corp.	59,394	1,576	1,422
Cascades Inc.	35,110	492	447
CCL Industries Inc. Class B non-voting	39,911	2,402	2,378
Kinross Gold Corp.	183,429	1,451	1,471
Nutrien Ltd.	19,996	1,201	1,493
SSR Mining Inc.	26,310	533	374

Canadian Equity Fund S-285LL

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or <u>Par Value</u>	Average <u>Cost</u>	Fair <u>Value</u>
Canadian Common Stock (continued)			
Materials (continued)			
Teck Resources Ltd. Class B	24,272	641	1,359
Real Estate			
Allied Properties REIT	49,812	1,610	1,005
Boardwalk REIT	31,959	1,222	2,280
CT REIT	42,483	676	622
Dream Office REIT	37,837	744	397
Utilities			
Capital Power Corp.	23,924	889	905
Fortis Inc.	14,273	746	778
Northland Power Inc.	50,391	1,873	1,213
TransAlta Corp.	69,648	776	768
Total Canadian Common Stock		105,331	124,710
Total Stocks		105,331	124,710
Transaction Costs (note 2)		(63)	
Total Investments		105,268	124,710

Canadian Equity Fund S-285LL

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

Introduction

The objective of the Canadian Equity Fund S-285LL (the Fund) in managing risk is the creation and protection of contractholder value. Risk is inherent in the Fund's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. The process of risk management is critical to the Fund's continuing profitability. The Fund can be exposed to liquidity risk, market risk (which includes currency risk, interest rate risk and other price risk) and credit risk arising from the financial instruments it holds.

A. Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023, and groups the securities by asset type, geographic region and/or market segment. The following sections describe the significant risks that are relevant to the Fund.

To assist with managing risk, The Canada Life Assurance Company (Canada Life or the Company) maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and other regulations.

B. Liquidity Risk

Liquidity risk arises when a fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units by contractholders. The Fund retains sufficient cash and cash equivalent positions to maintain adequate liquidity to meet the obligation to fund daily cash redemptions of their redeemable units.

Some securities are illiquid due to legal restrictions on their resale, the nature of the investment, or simply a lack of interested buyers for a particular security or security type. Certain securities may become less liquid due to changes in market conditions, such as interest rate changes or market volatility, which could impair the ability of a fund to sell such securities quickly.

In accordance with the Fund's policy, the Company monitors the Fund's liquidity positions on a regular basis.

C. Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The classifications used on the Schedule of Investment Portfolio for the financial instruments are based on the country of issue.

Canadian Equity Fund S-285LL

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

C. Currency Risk (continued)

The table below indicates the foreign currencies to which the Fund had significant exposure as at December 31, 2023 in Canadian dollar terms, including the underlying principal amount of forward currency contracts, if any. The table also illustrates the potential impact to the Fund's net assets attributable to contractholders, all other variables held constant, as a result of a 1% change in these currencies relative to the Canadian dollar. In practice, the actual results may differ from this sensitivity analysis and the difference could be significant.

2023

Currency	Investments	Cash, Short-term Deposits and Overdrafts	Total*	Impact on Net Assets Attributable to Contractholders
United States Dollar	\$ —	\$ 47	\$ 47	\$ —
Total	\$ —	\$ 47	\$ 47	\$ —
As Percent of Net Assets Attributable to Contractholders				—%

**Includes both monetary and non-monetary instruments*

2022

Currency	Investments	Cash, Short-term Deposits and Overdrafts	Total*	Impact on Net Assets Attributable to Contractholders
United States Dollar	\$ —	\$ 100	\$ 100	\$ 1
Total	\$ —	\$ 100	\$ 100	\$ 1
As Percent of Net Assets Attributable to Contractholders				—%

**Includes both monetary and non-monetary instruments*

D. Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. The Fund Manager moderates this risk through careful selection of securities and other financial instruments within the parameters of the investment strategy. The maximum risk resulting from financial instruments is equivalent to their fair value.

For the Fund, the most significant exposure to other price risk arises from its investment in equity securities. As at December 31, 2023, had the prices on the respective stock exchanges for these securities increased or decreased by 1%, with all other variables held constant, assets would have increased (or decreased) by approximately \$1,247 (\$1,112 at December 31, 2022) or approximately 1.0% (1.0% at December 31, 2022) of total net assets attributable to contractholders. In practice, the actual results may differ and the difference could be significant.

Canadian Equity Fund S-285LL

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

E. Fair Value Classification

The following table presents information about the Fund's assets measured at fair value on a recurring basis and indicates the fair value hierarchy of the valuation techniques utilized by the Fund to determine such fair value:

<u>Assets measured at fair value</u>	2023			
	Assets Measured at Fair Value			
	Level 1	Level 2	Level 3	Total
Stocks	\$ 124,710	\$ —	\$ —	\$ 124,710
Total assets measured at fair value	\$ 124,710	\$ —	\$ —	\$ 124,710

<u>Assets measured at fair value</u>	2022			
	Assets Measured at Fair Value			
	Level 1	Level 2	Level 3	Total
Stocks	\$ 111,240	\$ —	\$ —	\$ 111,240
Total assets measured at fair value	\$ 111,240	\$ —	\$ —	\$ 111,240

There were no significant transfers between Level 1 and Level 2 during 2023 or 2022.

Canadian Equity Fund S-285LL

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance. Portfolio units are allocated to each category as described in note 3 and are not included on this page.

Net Assets Attributable to Contractholders by Category

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
Flex	83,372	29,474	30,850	29,047	33,704	1,722	568	618	470	570
Generations/Mosaic	53,106	55,699	41,807	39,349	46,961	1,108	1,084	845	643	801
Generations I	32,187	32,671	31,597	32,750	33,086	562	532	534	447	471
Generations II	4,706	4,722	3,981	4,932	5,031	65	61	54	54	58
Generations Core	1,238	3,344	2,982	3,809	3,110	19	47	43	44	38
75/75 guarantee policy	154,625	161,495	91,969	46,163	21,983	2,818	2,739	1,616	654	324
75/100 guarantee policy	417,440	378,563	212,741	148,564	106,130	7,466	6,310	3,679	2,076	1,546
100/100 guarantee policy	25,391	36,810	28,221	20,672	7,102	432	586	468	278	100
PS1 75/75 guarantee policy	143,016	147,622	60,550	22,387	5,951	2,902	2,775	1,174	348	96
PS1 75/100 guarantee policy	298,716	301,163	167,692	110,820	32,889	5,918	5,539	3,187	1,694	522
PS1 100/100 guarantee policy	26,304	29,104	30,274	14,815	7,329	501	516	556	220	113
PS2 75/75 guarantee policy	34,721	90,207	15,898	909	—	910	2,143	381	17	—
PS2 75/100 guarantee policy	13,217	17,548	6,040	3,220	4,417	347	417	145	61	84
PS 75/75 guarantee policy	2,186	1,988	589	593	—	29	25	7	6	—
PS 75/100 guarantee policy	36,328	31,978	12,463	6,416	338	483	392	157	64	3
PPS 75/75 guarantee policy	30,062	29,684	34,157	33,986	26,340	413	374	439	347	275
PPS 75/100 guarantee policy	33,647	27,363	1,072	7,250	1,222	457	341	14	74	13

Net Assets Attributable to Contractholders Per Unit (note 6)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
Flex	20.66	19.27	20.02	16.19	16.90	1.39	(0.75)
Generations/Mosaic	20.86	19.46	20.22	16.35	17.07	1.40	(0.76)
Generations I	17.46	16.28	16.89	13.64	14.22	1.18	(0.61)
Generations II	13.84	12.95	13.48	10.93	11.44	0.89	(0.53)
Generations Core	14.95	13.91	14.41	11.62	12.10	1.04	(0.50)
75/75 guarantee policy	18.23	16.96	17.57	14.17	14.75	1.27	(0.61)
75/100 guarantee policy	17.88	16.67	17.30	13.97	14.57	1.21	(0.63)
100/100 guarantee policy	17.03	15.93	16.59	13.45	14.07	1.10	(0.66)
PS1 75/75 guarantee policy	20.29	18.80	19.38	15.56	16.12	1.49	(0.58)
PS1 75/100 guarantee policy	19.81	18.39	19.01	15.29	15.88	1.42	(0.62)
PS1 100/100 guarantee policy	19.04	17.73	18.38	14.84	15.46	1.31	(0.65)
PS2 75/75 guarantee policy	26.22	23.76	23.96	18.81	—	2.46	(0.20)
PS2 75/100 guarantee policy	26.22	23.76	23.96	18.81	19.07	2.46	(0.20)
PS 75/75 guarantee policy	13.41	12.34	12.64	10.08	—	1.07	(0.30)
PS 75/100 guarantee policy	13.29	12.25	12.57	10.04	10.36	1.04	(0.32)
PPS 75/75 guarantee policy	13.75	12.59	12.84	10.20	10.45	1.16	(0.25)
PPS 75/100 guarantee policy	13.58	12.47	12.74	10.14	10.42	1.11	(0.27)

Canadian Equity Fund S-285LL

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Fund is offered by The Canada Life Assurance Company.

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

Canadian Equity Fund S-285LL

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

Canadian Equity Fund S-285LL

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in fair value measurements in the notes to the Schedule of Investment Portfolio.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

Canadian Equity Fund S-285LL

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Stocks

Stocks are recorded at fair value determined with reference to closing quoted market prices, where the last traded price falls within the day's bid-ask spread, primarily provided by third party independent pricing sources. Fair values are determined on the basis of the closing price for a security on the recognized exchange on which it is principally traded at each reporting date. In circumstances where the last traded price is not within the bid-ask spread, the Company determines the point when the bid-ask spread that is most representative of fair value based on the specific facts and circumstances.

The fair value of unlisted securities is established using quotations determined by a major dealer in a particular security. Should the quoted value for a security, in the opinion of the Fund Manager, be inaccurate, unreliable, or not readily available, the value of the security is estimated using valuation techniques. Valuation techniques include the market approach (using recent arm's-length market transactions adjusted as necessary and reference to the current market value of another instrument that is substantially the same) and the income approach (discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible).

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

Dividend income - accrued as of the ex-dividend date and recorded on the accrual basis.

Canadian Equity Fund S-285LL

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

Miscellaneous income (loss)

Miscellaneous income (loss) generally includes the changes in foreign exchange rates between trade and settlement dates, foreign exchange rates on bank balances, securities lending income, derivative income, and management fee rebates.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

Canadian Equity Fund S-285LL

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

k) Income Allocation

Net gain (loss) on investments, which includes dividend income, realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the net asset value (NAV) per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

m) Transaction Costs

Transaction costs, such as brokerage commissions, incurred in the purchase and sale of securities by the Fund are charged to expenses in the year.

Canadian Equity Fund S-285LL

Notes to the Financial Statements

(in Canadian \$ thousands)

3. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Emperor,
- Flex,
- Generations/Mosaic,
- Generations I,
- Generations II,
- Generations Core,
- Prestige/Prestige Plus, and
- Private Collections.

In addition to the Individual units, units are available for:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

Portfolio units are those units owned by the Asset Allocation Funds. Each Portfolio fund is represented by a separate category.

The categories of units, and the various levels within each, are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

Canadian Equity Fund S-285LL

Notes to the Financial Statements

(in Canadian \$ thousands)

4. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

5. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

6. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

Canadian Equity Fund S-285LL

Notes to the Financial Statements

(in Canadian \$ thousands)

7. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.
- c) The Fund invests in assets or underlying funds managed by Mackenzie Financial Corporation, which operates as Mackenzie Investments. All investment transactions with the corresponding underlying funds are at quoted market prices.

Canadian Equity Fund S-285LL

Supplemental Information (unaudited)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾

For the years ended December 31	2023	2022	2021	2020	2019
Flex	2.94	2.95	2.94	2.92	2.94
Generations/Mosaic	2.94	2.94	2.94	2.92	2.94
Generations I	2.83	2.84	2.84	2.81	2.83
Generations II	3.20	3.19	3.20	3.17	3.19
Generations Core	2.67	2.67	2.67	2.65	2.66
75/75 guarantee policy	2.67	2.66	2.66	2.64	2.66
75/100 guarantee policy	2.83	2.84	2.83	2.81	2.82
100/100 guarantee policy	3.20	3.19	3.19	3.16	3.19
PS1 75/75 guarantee policy	2.21	2.22	2.20	2.18	2.21
PS1 75/100 guarantee policy	2.43	2.42	2.43	2.40	2.42
PS1 100/100 guarantee policy	2.76	2.75	2.75	2.73	2.75
PS 75/75 guarantee policy	1.56	1.55	1.55	1.54	—
PS 75/100 guarantee policy	1.73	1.72	1.72	1.71	1.72
PPS 75/75 guarantee policy	1.10	1.10	1.10	1.09	1.09
PPS 75/100 guarantee policy	1.32	1.33	1.33	1.31	1.32

Portfolio Turnover Rate (%) ⁽²⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	3.15	7.89	47.94	7.08	20.30

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
U.S. GROWTH LEADERS FUND S-286MF

December 31, 2023

Independent Auditor's Report

To the Contractholders of U.S. Growth Leaders Fund S-286MF (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

U.S. Growth Leaders Fund S-286MF

(in Canadian \$ thousands)

Fund Manager: Canada Life Investment Management Ltd.

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ 568	\$ —
Investment income due and accrued	—	—
Due from The Canada Life Assurance Company (note 8)	100	—
Due from brokers	—	1,108
Due from outside parties	—	—
Investments		
Investment fund units (note 3)	900,473	644,071
Total investments	900,473	644,071
Total assets	\$ 901,141	\$ 645,179
Liabilities		
Overdrafts	\$ —	\$ 1,229
Due to The Canada Life Assurance Company (note 8)	—	7
Due to brokers	376	—
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	376	1,236
Net assets attributable to contractholders	\$ 900,765	\$ 643,943

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 264,145	\$ (204,032)
Miscellaneous income (loss)	—	—
Total income (loss)	264,145	(204,032)
Expenses		
Management fees (note 8)	17,413	15,579
Other	1,702	1,518
Total expenses	19,115	17,097
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 245,030	\$ (221,129)

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year		
	\$ 643,943	\$ 826,970
Contractholder deposits	127,048	92,336
Contractholder withdrawals	(115,256)	(54,234)
Increase (decrease) in net assets from operations attributable to contractholders	245,030	(221,129)
Change in net assets attributable to contractholders	256,822	(183,027)
Net assets attributable to contractholders - end of year	\$ 900,765	\$ 643,943

U.S. Growth Leaders Fund S-286MF

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 245,030	\$ (221,129)
Adjustments		
Realized (gains) losses	(14,040)	(9,154)
Unrealized (gains) losses	(247,981)	214,160
Gross proceeds of disposition of investments	52,025	41,789
Gross payments for the purchase of investments	(44,282)	(62,828)
Distribution income of underlying mutual fund	(2,124)	(974)
Change in due from/to The Canada Life Assurance Company	(107)	131
Change in due from/to brokers	1,484	(1,248)
	<u>(9,995)</u>	<u>(39,253)</u>
Financing Activities		
Contractholder deposits	127,048	92,336
Contractholder withdrawals	(115,256)	(54,234)
	<u>11,792</u>	<u>38,102</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	1,797	(1,151)
Cash, short-term deposits and overdrafts, beginning of year	(1,229)	(78)
Cash, short-term deposits and overdrafts, end of year	\$ 568	\$ (1,229)

U.S. Growth Leaders Fund S-286MF

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units)

As at December 31, 2023

	<u>No. of Units</u>	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units			
Canada Life U.S. All Cap Growth Fund Series S *	12,569,536	557,393	900,473
Total Investments		557,393	900,473

Top 25 Holdings

Security Description	% of Total
Microsoft Corp.	9.97%
Apple Inc.	9.58%
Amazon.com Inc.	6.75%
NVIDIA Corp.	5.29%
Alphabet Inc. Class C	4.67%
Broadcom Inc.	3.26%
Meta Platforms Inc.	2.56%
Mastercard Inc. Class A	2.47%
Eli Lilly and Co.	2.39%
UnitedHealth Group Inc.	2.35%
Tesla Inc.	2.23%
Visa Inc. Class A	1.93%
Costco Wholesale Corp.	1.74%
Adobe Inc.	1.73%
Advanced Micro Devices Inc.	1.65%
Oracle Corp.	1.56%
American Tower Corp. REIT Class A	1.43%
Salesforce Inc.	1.41%
Palo Alto Networks Inc.	1.40%
Lululemon Athletica Inc.	1.39%
Booking Holdings Inc.	1.37%
Synopsys Inc.	1.34%
Uber Technologies Inc.	1.34%
Fair Issac Corp.	1.32%
Intuitive Surgical Inc.	1.17%

*The issuer of this security is a related company to the issuer of the Fund.

U.S. Growth Leaders Fund S-286MF

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance. Portfolio units are allocated to each category as described in note 4 and are not included on this page.

Net Assets Attributable to Contractholders by Category

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
Flex	204,957	213,956	233,954	258,786	266,362	5,865	4,445	6,619	6,292	4,900
Generations/Mosaic	1,333,317	1,429,186	1,576,879	1,863,258	1,872,623	38,521	29,979	45,043	45,742	34,779
Generations I	214,610	236,118	274,899	376,566	358,723	12,170	9,713	15,386	18,098	13,031
Generations II	112,845	131,278	138,492	159,073	144,312	5,088	4,312	6,215	6,155	4,238
Generations Core	161,903	198,805	237,990	306,843	364,318	7,957	7,086	11,539	12,772	11,459
75/75 guarantee policy	2,345,529	2,504,517	2,390,008	2,134,923	1,345,285	147,732	114,408	148,508	113,885	54,232
75/100 guarantee policy	3,495,292	3,339,898	3,234,268	2,813,847	1,984,462	218,834	151,696	199,871	149,322	79,604
100/100 guarantee policy	956,837	1,091,014	1,101,134	1,028,062	635,610	56,176	46,660	64,339	51,795	24,306
PS1 75/75 guarantee policy	1,688,811	1,558,404	1,430,364	935,310	398,819	96,183	64,045	79,552	44,430	14,239
PS1 75/100 guarantee policy	3,146,621	2,639,495	2,484,241	2,110,273	1,199,896	173,371	105,226	134,396	97,777	41,900
PS1 100/100 guarantee policy	342,450	257,558	274,871	176,616	149,388	17,933	9,802	14,258	7,881	5,044
PS2 75/75 guarantee policy	88,363	95,862	87,314	72,582	59,103	6,661	5,088	6,120	4,240	2,534
PS2 75/100 guarantee policy	142,037	139,748	145,075	119,005	60,300	10,722	7,428	10,182	6,961	2,588
PS2 100/100 guarantee policy	48,367	—	—	—	—	3,627	—	—	—	—
PS 75/75 guarantee policy	95,067	84,473	77,061	56,343	8,474	1,878	1,197	1,469	912	103
PS 75/100 guarantee policy	146,151	122,838	85,488	26,932	10,731	2,883	1,739	1,629	436	130
PS 100/100 guarantee policy	2,970	3,686	3,935	870	—	57	51	74	14	—
PPS 75/75 guarantee policy	138,838	116,463	79,261	29,971	3,516	2,823	1,690	1,540	492	43
PPS 75/100 guarantee policy	308,582	212,069	195,039	55,215	23,630	6,181	3,040	3,753	900	287
PPS 100/100 guarantee policy	19,763	19,876	19,991	5,745	839	386	279	379	93	10

Net Assets Attributable to Contractholders Per Unit (note 7)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
Flex	28.61	20.78	28.29	24.31	18.39	7.83	(7.51)
Generations/Mosaic	28.89	20.98	28.56	24.55	18.57	7.91	(7.58)
Generations I	56.71	41.14	55.97	48.06	36.33	15.57	(14.83)
Generations II	45.09	32.84	44.87	38.69	29.37	12.25	(12.03)
Generations Core	49.15	35.64	48.48	41.62	31.45	13.51	(12.84)
75/75 guarantee policy	62.98	45.68	62.14	53.34	40.31	17.30	(16.46)
75/100 guarantee policy	62.61	45.42	61.80	53.07	40.11	17.19	(16.38)
100/100 guarantee policy	58.71	42.77	58.43	50.38	38.24	15.94	(15.66)
PS1 75/75 guarantee policy	56.95	41.10	55.62	47.50	35.70	15.85	(14.52)
PS1 75/100 guarantee policy	55.10	39.87	54.10	46.33	34.92	15.23	(14.23)
PS1 100/100 guarantee policy	52.37	38.06	51.87	44.62	33.77	14.31	(13.81)
PS2 75/75 guarantee policy	75.39	53.08	70.09	58.42	42.87	22.31	(17.01)
PS2 75/100 guarantee policy	75.49	53.15	70.18	58.50	42.92	22.34	(17.03)
PS2 100/100 guarantee policy	75.00	—	—	—	—	22.19	—
PS 75/75 guarantee policy	19.76	14.17	19.07	16.19	12.10	5.59	(4.90)
PS 75/100 guarantee policy	19.73	14.16	19.05	16.18	12.10	5.57	(4.89)
PS 100/100 guarantee policy	19.28	13.89	18.78	16.01	—	5.39	(4.89)
PPS 75/75 guarantee policy	20.33	14.51	19.43	16.41	12.20	5.82	(4.92)
PPS 75/100 guarantee policy	20.03	14.34	19.24	16.30	12.15	5.69	(4.90)
PPS 100/100 guarantee policy	19.56	14.06	18.95	16.13	12.07	5.50	(4.89)

U.S. Growth Leaders Fund S-286MF

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The U.S. Growth Leaders Fund S-286MF (the Fund) is offered by The Canada Life Assurance Company (Canada Life or the Company).

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

U.S. Growth Leaders Fund S-286MF

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

U.S. Growth Leaders Fund S-286MF

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in note 9 on Financial Instrument Risk Management.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

U.S. Growth Leaders Fund S-286MF

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Investment Fund Units

Investment fund units are recorded at fair value, which is the closing net asset value (NAV) per unit of the underlying fund.

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

U.S. Growth Leaders Fund S-286MF

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

U.S. Growth Leaders Fund S-286MF

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

k) Income Allocation

Net gain (loss) on investments, which includes realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the NAV per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

3. INVESTMENT FUND UNITS

Investment fund units of the Fund invest solely in underlying mutual funds.

As the Fund's assets are invested in underlying investment funds, the Fund indirectly pays management fees and operating expenses of the underlying funds. All such charges are included in the management expense ratio of the segregated funds.

Distributions of income from the underlying investment funds are shown as net gain (loss) on investments on the Statement of Comprehensive Income.

Investment activity of the underlying fund indirectly exposes the Fund to financial risk. See note 9 on Financial Instrument Risk Management.

Investments in unconsolidated structured entities

The Company has determined that the Fund meets the definition of an investment entity and as such, accounts for its holdings in unlisted open-ended investment funds at FVTPL. The Company has concluded that the underlying funds in which the Fund invests, but do not consolidate, meet the definition of structured entities because: (i) the voting rights in the underlying funds are not dominant rights in deciding who controls them; (ii) each underlying fund's activities are restricted by its prospectus; and (iii) the underlying funds have narrow and well-defined objectives to provide investment opportunities to investors.

U.S. Growth Leaders Fund S-286MF

Notes to the Financial Statements

(in Canadian \$ thousands)

4. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Emperor,
- Flex,
- Generations/Mosaic,
- Generations I,
- Generations II,
- Generations Core,
- Prestige/Prestige Plus, and
- Private Collections.

In addition to the Individual units, units are available for:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

Portfolio units are those units owned by the Asset Allocation Funds. Each Portfolio fund is represented by a separate category.

The categories of units are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

U.S. Growth Leaders Fund S-286MF

Notes to the Financial Statements

(in Canadian \$ thousands)

5. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

6. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

7. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

U.S. Growth Leaders Fund S-286MF

Notes to the Financial Statements

(in Canadian \$ thousands)

8. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.
- c) The Fund invests in assets or underlying funds managed by Canada Life Investment Management Ltd. All investment transactions with the corresponding underlying funds are at quoted market prices.

U.S. Growth Leaders Fund S-286MF

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT

a) Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023. The following sections describe the significant risks that are relevant to the Fund.

To assist with managing risk, the Fund Manager maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and securities regulations. Financial statements for the underlying funds, which include discussions about their respective risk exposure, are available upon request.

b) Liquidity Risk

Liquidity risk arises when a Fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units. As the Fund primarily invests all of its net assets in the underlying funds, liquidity risk is mitigated by the underlying funds' ability to meet the obligation to fund daily cash redemptions of their redeemable units/shares. In addition, the underlying funds retain sufficient cash and cash equivalent positions to maintain adequate liquidity.

c) Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The Fund's investments in all underlying funds are denominated in Canadian dollars. However, the Fund is indirectly exposed to currency risk to the extent that the investments of the underlying funds are denominated or traded in a foreign currency.

d) Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund does not directly hold any interest-bearing financial instruments. The Fund is indirectly exposed to the risk that the value of interest-bearing financial instruments held by the underlying funds will fluctuate due to changes in the prevailing levels of market interest rates.

e) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund has no direct exposure to credit risk. The greatest indirect concentration of credit risk is in debt securities, such as bonds, held by underlying funds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer.

f) Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. For the instruments held by the Fund, maximum risk of loss is equivalent to their fair value. The Fund Manager moderates this risk through a careful selection of underlying funds within the parameters of the investment strategy.

g) Fair Value Classification

Investment Fund Units are recorded at fair value, which is the closing NAV per unit of the underlying fund. This valuation is considered to be a Level 1 classification.

U.S. Growth Leaders Fund S-286MF

Supplemental Information (unaudited)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾

For the years ended December 31	2023	2022	2021	2020	2019
Flex	3.07	3.09	3.07	3.06	3.06
Generations/Mosaic	3.07	3.09	3.07	3.06	3.06
Generations I	2.98	3.00	2.98	2.97	2.97
Generations II	3.40	3.42	3.39	3.39	3.39
Generations Core	2.96	2.98	2.96	2.95	2.95
75/75 guarantee policy	2.96	2.98	2.95	2.95	2.95
75/100 guarantee policy	2.98	3.00	2.98	2.97	2.98
100/100 guarantee policy	3.40	3.42	3.39	3.38	3.39
PS1 75/75 guarantee policy	2.45	2.46	2.44	2.40	2.40
PS1 75/100 guarantee policy	2.72	2.74	2.71	2.67	2.68
PS1 100/100 guarantee policy	3.16	3.18	3.15	3.11	3.12
PS 75/75 guarantee policy	1.86	1.88	1.86	1.85	1.85
PS 75/100 guarantee policy	1.89	1.90	1.87	1.88	1.88
PS 100/100 guarantee policy	2.30	2.32	2.30	2.30	—
PPS 75/75 guarantee policy	1.35	1.36	1.34	1.30	1.31
PPS 75/100 guarantee policy	1.63	1.64	1.61	1.58	1.58
PPS 100/100 guarantee policy	2.07	2.08	2.06	2.02	2.02

Unsubsidized Management Expense Ratio (%) ⁽²⁾

For the years ended December 31	2023	2022	2021	2020	2019
PS1 75/75 guarantee policy	2.45	2.46	2.44	2.44	2.43
PS1 75/100 guarantee policy	2.72	2.74	2.71	2.71	2.71
PS1 100/100 guarantee policy	3.16	3.18	3.15	3.15	3.15
PPS 75/75 guarantee policy	1.35	1.36	1.34	1.34	1.34
PPS 75/100 guarantee policy	1.63	1.64	1.61	1.62	1.61
PPS 100/100 guarantee policy	2.07	2.08	2.06	2.06	2.05

Portfolio Turnover Rate (%) ⁽³⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	5.75	5.86	64.74	9.37	7.97

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The Company has waived a portion of the fees for the Preferred Series 1 and Preferred Partner Series guarantee policies. There is no obligation for the Company to continue waiving these fees and it may cease to do so at any time without notice.

(3) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
CANADIAN GROWTH FUND (AIM) SF289

December 31, 2023

Independent Auditor's Report

To the Contractholders of Canadian Growth Fund (AIM) SF289 (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

Canadian Growth Fund (AIM) SF289

(in Canadian \$ thousands)

Fund Manager: Invesco Canada Ltd.

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ —	\$ —
Investment income due and accrued	—	—
Due from The Canada Life Assurance Company (note 8)	—	—
Due from brokers	9	7
Due from outside parties	—	—
Investments		
Investment fund units (note 3)	7,790	7,438
Total investments	7,790	7,438
Total assets	\$ 7,799	\$ 7,445
Liabilities		
Overdrafts	\$ 16	\$ 9
Due to The Canada Life Assurance Company (note 8)	2	2
Due to brokers	—	—
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	18	11
Net assets attributable to contractholders	\$ 7,781	\$ 7,434

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 1,327	\$ (221)
Miscellaneous income (loss)	—	—
Total income (loss)	1,327	(221)
Expenses		
Management fees (note 8)	219	223
Other	23	24
Total expenses	242	247
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 1,085	\$ (468)

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year		
	\$ 7,434	\$ 8,645
Contractholder deposits	146	81
Contractholder withdrawals	(884)	(824)
Increase (decrease) in net assets from operations attributable to contractholders	1,085	(468)
Change in net assets attributable to contractholders	347	(1,211)
Net assets attributable to contractholders - end of year	\$ 7,781	\$ 7,434

Canadian Growth Fund (AIM) SF289

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 1,085	\$ (468)
Adjustments		
Realized (gains) losses	(503)	(429)
Unrealized (gains) losses	(704)	785
Gross proceeds of disposition of investments	1,185	1,113
Gross payments for the purchase of investments	(210)	(123)
Distribution income of underlying mutual fund	(120)	(135)
Change in due from/to The Canada Life Assurance Company	—	(2)
Change in due from/to brokers	(2)	(3)
	<u>731</u>	<u>738</u>
Financing Activities		
Contractholder deposits	146	81
Contractholder withdrawals	(884)	(824)
	<u>(738)</u>	<u>(743)</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	(7)	(5)
Cash, short-term deposits and overdrafts, beginning of year	(9)	(4)
Cash, short-term deposits and overdrafts, end of year	\$ (16)	\$ (9)

Canadian Growth Fund (AIM) SF289

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units)

As at December 31, 2023

	<u>No. of Units</u>	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units			
Invesco EQV Canadian Premier Equity Class Series I	137,969	4,202	7,790
Total Investments		4,202	7,790

Top 25 Holdings

Security Description	% of Total
Celestica Inc.	4.60%
Element Fleet Management Corp.	3.99%
Royal Bank of Canada	3.50%
Toromont Industries Ltd.	3.27%
Fairfax Financial Holdings Ltd. sub. voting	3.24%
Canadian Pacific Kansas City Ltd.	2.78%
Aritzia Inc.	2.33%
Intact Financial Corp.	2.26%
CGI Group Inc. Class A sub. voting	2.20%
Colliers International Group Inc.	2.12%
Wheaton Precious Metals Corp.	2.12%
The Toronto-Dominion Bank	2.11%
Broadcom Inc.	2.10%
ICON PLC	2.02%
Stantec Inc.	1.87%
Franco-Nevada Corp.	1.86%
Taiwan Semiconductor Manufacturing Co. Ltd.	1.84%
Canadian Natural Resources Ltd.	1.69%
Brookfield Corp.	1.65%
Walmart de Mexico SAB de CV	1.64%
Tourmaline Oil Corp.	1.63%
Microsoft Corp.	1.61%
The Charles Schwab Corp.	1.56%
Alimentation Couche-Tard Inc.	1.55%
PrairieSky Royalty Ltd.	1.53%

Canadian Growth Fund (AIM) SF289

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Net Assets Attributable to Contractholders by Category

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
Generations/Mosaic	93,813	109,076	119,334	135,580	156,388	2,680	2,713	3,155	2,987	3,335
Generations I	18,727	18,552	20,957	26,056	29,552	406	349	418	432	473
Generations II	3,133	3,211	3,338	4,629	4,596	57	51	56	65	63
Generations Core	9,213	10,139	11,581	13,195	22,327	180	172	207	195	318
75/75 guarantee policy	17,808	19,037	20,369	24,938	27,262	429	397	448	455	478
75/100 guarantee policy	78,624	90,031	98,471	118,624	149,570	1,836	1,825	2,113	2,116	2,574
100/100 guarantee policy	8,047	12,490	14,193	16,378	19,784	183	246	297	286	334
PS1 75/75 guarantee policy	26,668	22,335	22,595	21,368	21,142	686	494	525	409	387
PS1 75/100 guarantee policy	40,915	42,809	42,281	36,275	54,587	1,025	925	962	681	983
PS2 75/75 guarantee policy	—	—	—	—	3,774	—	—	—	—	83
PS2 100/100 guarantee policy	8,353	8,712	9,084	9,470	9,895	287	251	268	225	219
PS 75/75 guarantee policy	837	904	959	968	977	12	11	12	10	10
PPS 75/100 guarantee policy	—	—	14,131	13,864	13,237	—	—	184	148	134

Net Assets Attributable to Contractholders Per Unit (note 7)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
Generations/Mosaic	28.56	24.87	26.43	22.03	21.33	3.69	(1.56)
Generations I	21.70	18.84	19.95	16.58	15.99	2.86	(1.11)
Generations II	18.31	15.92	16.90	14.08	13.61	2.39	(0.98)
Generations Core	19.55	16.92	17.87	14.81	14.25	2.63	(0.95)
75/75 guarantee policy	24.08	20.84	22.01	18.24	17.55	3.24	(1.17)
75/100 guarantee policy	23.35	20.27	21.46	17.84	17.21	3.08	(1.19)
100/100 guarantee policy	22.68	19.72	20.93	17.43	16.86	2.96	(1.21)
PS1 75/75 guarantee policy	25.71	22.13	23.23	19.14	18.32	3.58	(1.10)
PS1 75/100 guarantee policy	25.06	21.61	22.75	18.78	18.01	3.45	(1.14)
PS2 75/75 guarantee policy	—	—	—	—	22.14	—	—
PS2 100/100 guarantee policy	34.34	28.83	29.53	23.74	22.15	5.51	(0.70)
PS 75/75 guarantee policy	14.41	12.33	12.88	10.56	10.05	2.08	(0.55)
PPS 75/100 guarantee policy	—	—	13.04	10.65	10.10	—	—

Canadian Growth Fund (AIM) SF289

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Canadian Growth Fund (AIM) SF289 (the Fund) is offered by The Canada Life Assurance Company (Canada Life or the Company).

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

Canadian Growth Fund (AIM) SF289

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

Canadian Growth Fund (AIM) SF289

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in note 9 on Financial Instrument Risk Management.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

Canadian Growth Fund (AIM) SF289

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Investment Fund Units

Investment fund units are recorded at fair value, which is the closing net asset value (NAV) per unit of the underlying fund.

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Canadian Growth Fund (AIM) SF289

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

Canadian Growth Fund (AIM) SF289

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

k) Income Allocation

Net gain (loss) on investments, which includes realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the NAV per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

3. INVESTMENT FUND UNITS

Investment fund units of the Fund invest solely in underlying mutual funds.

As the Fund's assets are invested in underlying investment funds, the Fund indirectly pays management fees and operating expenses of the underlying funds. All such charges are included in the management expense ratio of the segregated funds.

Distributions of income from the underlying investment funds are shown as net gain (loss) on investments on the Statement of Comprehensive Income.

Investment activity of the underlying fund indirectly exposes the Fund to financial risk. See note 9 on Financial Instrument Risk Management.

Investments in unconsolidated structured entities

The Company has determined that the Fund meets the definition of an investment entity and as such, accounts for its holdings in unlisted open-ended investment funds at FVTPL. The Company has concluded that the underlying funds in which the Fund invests, but do not consolidate, meet the definition of structured entities because: (i) the voting rights in the underlying funds are not dominant rights in deciding who controls them; (ii) each underlying fund's activities are restricted by its prospectus; and (iii) the underlying funds have narrow and well-defined objectives to provide investment opportunities to investors.

Canadian Growth Fund (AIM) SF289

Notes to the Financial Statements

(in Canadian \$ thousands)

4. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Emperor,
- Flex,
- Generations/Mosaic,
- Generations I,
- Generations II,
- Generations Core,
- Prestige/Prestige Plus, and
- Private Collections.

In addition to the Individual units, units are available for:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

The categories of units, and the various levels within each, are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

Canadian Growth Fund (AIM) SF289

Notes to the Financial Statements

(in Canadian \$ thousands)

5. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

6. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

7. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

Canadian Growth Fund (AIM) SF289

Notes to the Financial Statements

(in Canadian \$ thousands)

8. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.

Canadian Growth Fund (AIM) SF289

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT

a) Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023. The following sections describe the significant risks that are relevant to the Fund.

To assist with managing risk, the Fund Manager maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and securities regulations. Financial statements for the underlying funds, which include discussions about their respective risk exposure, are available upon request.

b) Liquidity Risk

Liquidity risk arises when a Fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units. As the Fund primarily invests all of its net assets in the underlying funds, liquidity risk is mitigated by the underlying funds' ability to meet the obligation to fund daily cash redemptions of their redeemable units/shares. In addition, the underlying funds retain sufficient cash and cash equivalent positions to maintain adequate liquidity.

c) Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The Fund's investments in all underlying funds are denominated in Canadian dollars. However, the Fund is indirectly exposed to currency risk to the extent that the investments of the underlying funds are denominated or traded in a foreign currency.

d) Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund does not directly hold any interest-bearing financial instruments. The Fund is indirectly exposed to the risk that the value of interest-bearing financial instruments held by the underlying funds will fluctuate due to changes in the prevailing levels of market interest rates.

e) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund has no direct exposure to credit risk. The greatest indirect concentration of credit risk is in debt securities, such as bonds, held by underlying funds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer.

f) Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. For the instruments held by the Fund, maximum risk of loss is equivalent to their fair value. The Fund Manager moderates this risk through a careful selection of underlying funds within the parameters of the investment strategy.

g) Fair Value Classification

Investment Fund Units are recorded at fair value, which is the closing NAV per unit of the underlying fund. This valuation is considered to be a Level 1 classification.

Canadian Growth Fund (AIM) SF289

Supplemental Information (unaudited)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾

For the years ended December 31	2023	2022	2021	2020	2019
Generations/Mosaic	3.66	3.66	3.66	3.66	3.66
Generations I	3.33	3.33	3.34	3.33	3.33
Generations II	3.55	3.55	3.56	3.55	3.56
Generations Core	3.05	3.06	3.06	3.06	3.06
75/75 guarantee policy	3.05	3.06	3.06	3.06	3.06
75/100 guarantee policy	3.33	3.33	3.34	3.33	3.33
100/100 guarantee policy	3.55	3.56	3.56	3.55	3.55
PS1 75/75 guarantee policy	2.48	2.48	2.48	2.48	2.49
PS1 75/100 guarantee policy	2.70	2.71	2.70	2.71	2.71
PS 75/75 guarantee policy	1.95	1.96	1.96	1.94	1.95
PPS 75/100 guarantee policy	—	—	1.60	1.60	1.60

Portfolio Turnover Rate (%) ⁽²⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	2.74	1.58	1.23	0.96	3.51

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

Financial Statements of

**THE CANADA LIFE ASSURANCE COMPANY
MID CAP CANADA FUND S-346G**

December 31, 2023

Independent Auditor's Report

To the Contractholders of Mid Cap Canada Fund S-346G (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

Mid Cap Canada Fund S-346G

(in Canadian \$ thousands)

Fund Manager: Mackenzie Investments

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ 511	\$ 1,971
Investment income due and accrued	215	249
Due from The Canada Life Assurance Company (note 7)	66	1
Due from brokers	90	—
Due from outside parties	—	—
Investments		
Bonds	—	—
Stocks	115,436	111,112
Investment fund units	—	—
Total investments	115,436	111,112
Total assets	\$ 116,318	\$ 113,333
Liabilities		
Overdrafts	\$ —	\$ —
Due to The Canada Life Assurance Company (note 7)	—	—
Due to brokers	151	—
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	151	—
Net assets attributable to contractholders	\$ 116,167	\$ 113,333

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 7,748	\$ (15,640)
Miscellaneous income (loss)	10	26
Total income (loss)	7,758	(15,614)
Expenses		
Management fees (note 7)	1,589	1,619
Transaction costs	157	89
Withholding taxes	—	(6)
Other	174	174
Total expenses	1,920	1,876
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 5,838	\$ (17,490)

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year	\$ 113,333	\$ 121,593
Contractholder deposits	7,332	15,565
Contractholder withdrawals	(10,336)	(6,335)
Increase (decrease) in net assets from operations attributable to contractholders	5,838	(17,490)
Change in net assets attributable to contractholders	2,834	(8,260)
Net assets attributable to contractholders - end of year	\$ 116,167	\$ 113,333

Mid Cap Canada Fund S-346G

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 5,838	\$ (17,490)
Adjustments		
Realized (gains) losses	3,997	(2,664)
Unrealized (gains) losses	(9,612)	20,269
Gross proceeds of disposition of investments	74,455	44,124
Gross payments for the purchase of investments	(73,164)	(52,274)
Change in investment income due and accrued	34	(149)
Change in due from/to The Canada Life Assurance Company	(65)	45
Change in due from/to brokers	61	(5)
Change in due from/to outside parties	—	—
	<u>1,544</u>	<u>(8,144)</u>
Financing Activities		
Contractholder deposits	7,332	15,565
Contractholder withdrawals	(10,336)	(6,335)
	<u>(3,004)</u>	<u>9,230</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	(1,460)	1,086
Cash, short-term deposits and overdrafts, beginning of year	1,971	885
Cash, short-term deposits and overdrafts, end of year	\$ 511	\$ 1,971
Supplementary cash flow information		
Dividend income received	\$ 2,103	\$ 1,775

Mid Cap Canada Fund S-346G

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or <u>Par Value</u>	Average <u>Cost</u>	Fair <u>Value</u>
Canadian Common Stock			
Consumer Discretionary			
Aritzia Inc.	73,231	2,164	2,014
Park Lawn Corp.	78,786	2,352	1,555
Pollard Banknote Ltd.	80,941	2,248	2,593
Sleep Country Canada Holdings Inc.	91,942	2,369	2,355
Energy			
ARC Resources Ltd.	70,333	1,192	1,383
Enerplus Corp.	58,600	1,162	1,190
Headwater Exploration Inc.	172,389	943	1,077
Kelt Exploration Ltd.	186,112	893	1,065
North American Construction Group Ltd.	86,321	1,447	2,387
NuVista Energy Ltd.	32,396	392	358
Parkland Corp. of Canada	43,338	1,593	1,851
PrairieSky Royalty Ltd.	64,772	1,139	1,503
Tamarack Valley Energy Ltd.	341,000	1,223	1,047
Topaz Energy Corp.	54,725	1,038	1,061
Vermilion Energy Inc.	66,800	1,204	1,067
Exchange Traded Funds			
iShares S&P/TSX Completion Index ETF	14,800	455	465
Financials			
Definity Financial Corp.	75,021	2,360	2,816
Element Fleet Management Corp.	182,600	3,838	3,937
EQB Inc.	47,201	3,363	4,116
goeasy Ltd.	16,317	2,130	2,579
iA Financial Corp. Inc.	35,167	2,306	3,177
Trisura Group Ltd.	89,488	3,285	3,043
Health Care			
Andlauer Healthcare Group Inc.	36,148	1,335	1,481
Calian Group Ltd.	41,168	2,223	2,359
Jamieson Wellness Inc.	39,400	1,105	1,250
Neighbourly Pharmacy Inc.	96,840	2,300	1,626
Savaria Corp.	226,319	3,556	3,433

Mid Cap Canada Fund S-346G

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or <u>Par Value</u>	Average <u>Cost</u>	Fair <u>Value</u>
Canadian Common Stock (continued)			
Industrials			
ADENTRA Inc.	68,779	1,850	2,199
AG Growth International Inc.	41,218	1,979	2,082
ATS Corp.	57,641	2,129	3,292
Boyd Group Services Inc.	15,979	3,501	4,449
GDI Integrated Facility Services Inc.	38,894	1,744	1,423
K-Bro Linen Inc.	53,783	1,932	1,775
Richelieu Hardware Ltd.	68,980	2,735	3,310
Stantec Inc.	38,096	2,095	4,053
TFI International Inc.	8,200	1,207	1,478
WSP Global Inc.	11,901	2,272	2,210
Information Technology			
Kinaxis Inc.	18,827	2,683	2,800
Tecsys Inc.	77,017	2,603	2,527
The Descartes Systems Group Inc.	33,175	3,144	3,693
Materials			
Alamos Gold Inc.	110,500	1,854	1,969
Capstone Copper Corp.	159,100	983	1,026
New Gold Inc.	481,800	883	925
Stella-Jones Inc.	42,159	1,761	3,251
Wheaton Precious Metals Corp.	20,500	1,196	1,340
Winpak Ltd.	60,954	2,513	2,493
Real Estate			
Colliers International Group Inc.	18,805	2,663	3,152
Dream Industrial REIT	242,100	3,423	3,380
FirstService Corp.	14,018	2,595	3,009
InterRent REIT	134,284	2,083	1,777
Killam Apartment REIT	122,263	2,157	2,196

Mid Cap Canada Fund S-346G

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or <u>Par Value</u>	Average <u>Cost</u>	Fair <u>Value</u>
Canadian Common Stock (continued)			
Real Estate (continued)			
StorageVault Canada Inc.	542,900	3,065	2,839
Total Canadian Common Stock		104,665	115,436
Total Stocks		104,665	115,436
Transaction Costs (note 2)		(95)	
Total Investments		104,570	115,436

Mid Cap Canada Fund S-346G

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

Introduction

The objective of the Mid Cap Canada Fund S-346G (the Fund) in managing risk is the creation and protection of contractholder value. Risk is inherent in the Fund's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. The process of risk management is critical to the Fund's continuing profitability. The Fund can be exposed to liquidity risk, market risk (which includes currency risk, interest rate risk and other price risk) and credit risk arising from the financial instruments it holds.

A. Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023, and groups the securities by asset type, geographic region and/or market segment. The following sections describe the significant risks that are relevant to the Fund.

To assist with managing risk, The Canada Life Assurance Company (Canada Life or the Company) maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and other regulations.

B. Liquidity Risk

Liquidity risk arises when a fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units by contractholders. The Fund retains sufficient cash and cash equivalent positions to maintain adequate liquidity to meet the obligation to fund daily cash redemptions of their redeemable units.

Some securities are illiquid due to legal restrictions on their resale, the nature of the investment, or simply a lack of interested buyers for a particular security or security type. Certain securities may become less liquid due to changes in market conditions, such as interest rate changes or market volatility, which could impair the ability of a fund to sell such securities quickly.

In accordance with the Fund's policy, the Company monitors the Fund's liquidity positions on a regular basis.

C. Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. The Fund Manager moderates this risk through careful selection of securities and other financial instruments within the parameters of the investment strategy. The maximum risk resulting from financial instruments is equivalent to their fair value.

For the Fund, the most significant exposure to other price risk arises from its investment in equity securities. As at December 31, 2023, had the prices on the respective stock exchanges for these securities increased or decreased by 1%, with all other variables held constant, assets would have increased (or decreased) by approximately \$1,154 (\$1,111 at December 31, 2022) or approximately 1.0% (1.0% at December 31, 2022) of total net assets attributable to contractholders. In practice, the actual results may differ and the difference could be significant.

Mid Cap Canada Fund S-346G

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

D. Fair Value Classification

The following table presents information about the Fund's assets measured at fair value on a recurring basis and indicates the fair value hierarchy of the valuation techniques utilized by the Fund to determine such fair value:

<u>Assets measured at fair value</u>	2023			
	Assets Measured at Fair Value			
	Level 1	Level 2	Level 3	Total
Stocks	\$ 115,436	\$ —	\$ —	\$ 115,436
Total assets measured at fair value	\$ 115,436	\$ —	\$ —	\$ 115,436

<u>Assets measured at fair value</u>	2022			
	Assets Measured at Fair Value			
	Level 1	Level 2	Level 3	Total
Stocks	\$ 111,112	\$ —	\$ —	\$ 111,112
Total assets measured at fair value	\$ 111,112	\$ —	\$ —	\$ 111,112

There were no significant transfers between Level 1 and Level 2 during 2023 or 2022.

Mid Cap Canada Fund S-346G

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance. Portfolio units are allocated to each category as described in note 3 and are not included on this page.

Net Assets Attributable to Contractholders by Category

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
Generations/Mosaic	101,188	117,358	154,402	162,875	150,175	2,727	3,058	4,769	4,699	3,585
Generations I	50,053	54,892	78,795	76,807	73,657	890	942	1,599	1,453	1,150
Generations II	13,522	19,278	21,951	22,756	33,413	217	300	406	394	479
Generations Core	22,500	29,380	31,931	32,938	32,117	400	502	645	618	497
75/75 guarantee policy	415,199	439,263	365,013	218,867	89,004	10,414	10,605	10,401	5,799	1,943
75/100 guarantee policy	858,186	903,959	871,545	555,656	265,339	20,857	21,193	24,170	14,361	5,661
100/100 guarantee policy	51,535	59,137	66,448	65,818	45,654	1,183	1,315	1,755	1,627	936
PS1 75/75 guarantee policy	430,625	409,499	323,455	155,506	70,603	9,021	8,220	7,628	3,394	1,264
PS1 75/100 guarantee policy	732,124	814,136	861,980	420,393	170,344	14,952	15,966	19,904	9,005	2,998
PS1 100/100 guarantee policy	29,917	32,132	37,199	33,531	27,021	584	605	827	695	462
PS2 75/75 guarantee policy	58,417	144,553	87,554	39,763	23,921	1,604	3,716	2,584	1,061	511
PS2 75/100 guarantee policy	84,920	101,087	103,289	36,411	47,467	2,331	2,597	3,046	971	1,014
PS2 100/100 guarantee policy	359	368	377	386	396	10	9	11	10	8
PS 75/75 guarantee policy	42,136	36,230	28,447	20,339	1,014	542	444	407	267	11
PS 75/100 guarantee policy	61,884	64,605	47,020	38,822	13,166	787	783	667	508	141
PPS 75/75 guarantee policy	48,575	50,300	59,665	22,152	—	641	629	867	295	—
PPS 75/100 guarantee policy	54,981	53,635	37,545	11,420	4,178	717	664	541	151	45
PPS 100/100 guarantee policy	924	969	1,027	203	—	12	12	15	3	—

Net Assets Attributable to Contractholders Per Unit (note 6)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
Generations/Mosaic	26.95	26.06	30.89	28.85	23.87	0.89	(4.83)
Generations I	17.79	17.16	20.30	18.91	15.62	0.63	(3.14)
Generations II	16.07	15.57	18.49	17.31	14.35	0.50	(2.92)
Generations Core	17.77	17.10	20.19	18.77	15.46	0.67	(3.09)
75/75 guarantee policy	25.08	24.14	28.49	26.50	21.83	0.94	(4.35)
75/100 guarantee policy	24.30	23.44	27.73	25.85	21.34	0.86	(4.29)
100/100 guarantee policy	22.95	22.24	26.42	24.72	20.49	0.71	(4.18)
PS1 75/75 guarantee policy	20.95	20.07	23.58	21.83	17.90	0.88	(3.51)
PS1 75/100 guarantee policy	20.42	19.61	23.09	21.42	17.60	0.81	(3.48)
PS1 100/100 guarantee policy	19.52	18.82	22.24	20.71	17.09	0.70	(3.42)
PS2 75/75 guarantee policy	27.46	25.71	29.51	26.69	21.38	1.75	(3.80)
PS2 75/100 guarantee policy	27.45	25.69	29.49	26.67	21.37	1.76	(3.80)
PS2 100/100 guarantee policy	27.44	25.69	29.49	26.67	21.37	1.75	(3.80)
PS 75/75 guarantee policy	12.87	12.25	14.30	13.15	10.71	0.62	(2.05)
PS 75/100 guarantee policy	12.71	12.13	14.19	13.07	10.67	0.58	(2.06)
PPS 75/75 guarantee policy	13.19	12.50	14.53	13.30	—	0.69	(2.03)
PPS 75/100 guarantee policy	13.03	12.38	14.41	13.22	10.75	0.65	(2.03)
PPS 100/100 guarantee policy	12.76	12.17	14.22	13.10	—	0.59	(2.05)

Mid Cap Canada Fund S-346G

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Fund is offered by The Canada Life Assurance Company.

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

Mid Cap Canada Fund S-346G

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

Mid Cap Canada Fund S-346G

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in fair value measurements in the notes to the Schedule of Investment Portfolio.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

Mid Cap Canada Fund S-346G

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Stocks

Stocks are recorded at fair value determined with reference to closing quoted market prices, where the last traded price falls within the day's bid-ask spread, primarily provided by third party independent pricing sources. Fair values are determined on the basis of the closing price for a security on the recognized exchange on which it is principally traded at each reporting date. In circumstances where the last traded price is not within the bid-ask spread, the Company determines the point when the bid-ask spread that is most representative of fair value based on the specific facts and circumstances.

The fair value of unlisted securities is established using quotations determined by a major dealer in a particular security. Should the quoted value for a security, in the opinion of the Fund Manager, be inaccurate, unreliable, or not readily available, the value of the security is estimated using valuation techniques. Valuation techniques include the market approach (using recent arm's-length market transactions adjusted as necessary and reference to the current market value of another instrument that is substantially the same) and the income approach (discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible).

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

Dividend income - accrued as of the ex-dividend date and recorded on the accrual basis.

Mid Cap Canada Fund S-346G

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

Miscellaneous income (loss)

Miscellaneous income (loss) generally includes the changes in foreign exchange rates between trade and settlement dates, foreign exchange rates on bank balances, securities lending income, derivative income, and management fee rebates.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

Mid Cap Canada Fund S-346G

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

k) Income Allocation

Net gain (loss) on investments, which includes dividend income, realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the net asset value (NAV) per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

m) Transaction Costs

Transaction costs, such as brokerage commissions, incurred in the purchase and sale of securities by the Fund are charged to expenses in the year.

Mid Cap Canada Fund S-346G

Notes to the Financial Statements

(in Canadian \$ thousands)

3. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Emperor,
- Flex,
- Generations/Mosaic,
- Generations I,
- Generations II,
- Generations Core,
- Prestige/Prestige Plus, and
- Private Collections.

In addition to the Individual units, units are available for:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

Portfolio units are those units owned by the Asset Allocation Funds. Each Portfolio fund is represented by a separate category.

The categories of units, and the various levels within each, are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

Mid Cap Canada Fund S-346G

Notes to the Financial Statements

(in Canadian \$ thousands)

4. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

5. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

6. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

Mid Cap Canada Fund S-346G

Notes to the Financial Statements

(in Canadian \$ thousands)

7. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.
- c) The Fund invests in assets or underlying funds managed by Mackenzie Financial Corporation, which operates as Mackenzie Investments. All investment transactions with the corresponding underlying funds are at quoted market prices.

Mid Cap Canada Fund S-346G

Supplemental Information *(unaudited)*

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾

For the years ended December 31	2023	2022	2021	2020	2019
Generations/Mosaic	3.23	3.24	3.22	3.22	3.23
Generations I	3.01	3.02	3.00	3.00	3.01
Generations II	3.43	3.43	3.42	3.43	3.43
Generations Core	2.78	2.79	2.78	2.78	2.79
75/75 guarantee policy	2.78	2.78	2.77	2.77	2.78
75/100 guarantee policy	3.01	3.00	2.99	2.99	3.00
100/100 guarantee policy	3.43	3.43	3.42	3.42	3.43
PS1 75/75 guarantee policy	2.32	2.32	2.31	2.32	2.32
PS1 75/100 guarantee policy	2.55	2.55	2.53	2.53	2.54
PS1 100/100 guarantee policy	2.93	2.94	2.93	2.93	2.92
PS 75/75 guarantee policy	1.68	1.67	1.67	1.67	1.68
PS 75/100 guarantee policy	1.90	1.89	1.89	1.89	1.88
PPS 75/75 guarantee policy	1.22	1.22	1.21	1.22	—
PPS 75/100 guarantee policy	1.44	1.43	1.43	1.43	1.42
PPS 100/100 guarantee policy	1.83	1.83	1.81	1.83	—

Portfolio Turnover Rate (%) ⁽²⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	64.92	37.48	31.83	35.74	32.02

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
CANADIAN EQUITY VALUE FUND S-347C

December 31, 2023

Independent Auditor's Report

To the Contractholders of Canadian Equity Value Fund S-347C (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

Canadian Equity Value Fund S-347C

(in Canadian \$ thousands)

Fund Manager: Mackenzie Investments

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ 10	\$ 58
Investment income due and accrued	16	18
Due from The Canada Life Assurance Company (note 7)	—	—
Due from brokers	—	—
Due from outside parties	—	—
Investments		
Bonds	—	—
Stocks	7,060	9,683
Investment fund units	—	—
Total investments	7,060	9,683
Total assets	\$ 7,086	\$ 9,759
Liabilities		
Overdrafts	\$ —	\$ —
Due to The Canada Life Assurance Company (note 7)	3	3
Due to brokers	—	2
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	3	5
Net assets attributable to contractholders	\$ 7,083	\$ 9,754

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 740	\$ 530
Miscellaneous income (loss)	1	3
Total income (loss)	741	533
Expenses		
Management fees (note 7)	175	187
Transaction costs	1	14
Withholding taxes	—	—
Other	20	21
Total expenses	196	222
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 545	\$ 311

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year	\$ 9,754	\$ 28,567
Contractholder deposits	400	2,159
Contractholder withdrawals	(3,616)	(21,283)
Increase (decrease) in net assets from operations attributable to contractholders	545	311
Change in net assets attributable to contractholders	(2,671)	(18,813)
Net assets attributable to contractholders - end of year	\$ 7,083	\$ 9,754

Canadian Equity Value Fund S-347C

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 545	\$ 311
Adjustments		
Realized (gains) losses	(346)	(3,488)
Unrealized (gains) losses	(90)	3,450
Gross proceeds of disposition of investments	3,350	37,830
Gross payments for the purchase of investments	(291)	(19,527)
Change in investment income due and accrued	2	42
Change in due from/to The Canada Life Assurance Company	—	26
Change in due from/to brokers	(2)	2
Change in due from/to outside parties	—	—
	<u>3,168</u>	<u>18,646</u>
Financing Activities		
Contractholder deposits	400	2,159
Contractholder withdrawals	(3,616)	(21,283)
	<u>(3,216)</u>	<u>(19,124)</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	(48)	(478)
Cash, short-term deposits and overdrafts, beginning of year	58	536
Cash, short-term deposits and overdrafts, end of year	\$ 10	\$ 58
Supplementary cash flow information		
Dividend income received	\$ 305	\$ 534

Canadian Equity Value Fund S-347C

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or <u>Par Value</u>	Average <u>Cost</u>	Fair <u>Value</u>
Canadian Common Stock			
Communication Services			
Cogeco Communications Inc. sub. voting	485	33	29
Rogers Communications Inc. Class B non-voting	1,164	66	72
TELUS Corp.	3,520	94	83
TELUS International Inc.	2,030	66	23
Consumer Discretionary			
Canadian Tire Corp. Ltd. Class A non-voting	681	115	96
Dollarama Inc.	1,046	56	100
Gildan Activewear Inc.	1,755	69	77
Linamar Corp.	1,516	102	97
Sleep Country Canada Holdings Inc.	2,742	82	70
Consumer Staples			
Alimentation Couche-Tard Inc.	2,695	107	210
Empire Co. Ltd. Class A non-voting	2,623	95	92
Loblaw Companies Ltd.	1,110	75	142
Saputo Inc.	2,193	67	59
Energy			
Canadian Natural Resources Ltd.	3,174	131	276
Cenovus Energy Inc.	2,489	29	55
Enbridge Inc.	2,521	116	120
Suncor Energy Inc.	4,381	149	186
TC Energy Corp.	2,818	165	146
Tourmaline Oil Corp.	1,212	34	72
Exchange Traded Funds			
Mackenzie US Large Cap Index ETF *	1,822	268	329
Financials			
Bank of Montreal	2,126	246	279
Brookfield Asset Management Inc. Class A	711	26	38
Brookfield Corp.	2,950	124	157
Canadian Western Bank	1,959	66	60
Definity Financial Corp.	953	24	36

*The issuer of this security is a related company to the issuer of the Fund.

Canadian Equity Value Fund S-347C

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or <u>Par Value</u>	Average <u>Cost</u>	Fair <u>Value</u>
Canadian Common Stock (continued)			
Financials (continued)			
ECN Capital Corp.	10,210	42	31
iA Financial Corp. Inc.	1,135	71	103
Intact Financial Corp.	613	91	125
Manulife Financial Corp.	5,284	125	155
Onex Corp. sub. voting	1,188	93	110
Royal Bank of Canada	3,572	391	480
Sun Life Financial Inc.	2,493	157	171
The Bank of Nova Scotia	2,802	204	181
The Toronto-Dominion Bank	4,960	369	425
Health Care			
DRI Healthcare Trust	5,141	50	64
Jamieson Wellness Inc.	1,317	45	42
Industrials			
Bombardier Inc. Class B sub. voting	598	19	32
CAE Inc.	2,517	90	72
Canadian National Railway Co.	1,539	203	256
Canadian Pacific Kansas City Ltd.	2,595	211	272
SNC-Lavalin Group Inc.	1,783	54	76
Stantec Inc.	266	13	28
Transcontinental Inc. Class A sub. voting	2,499	51	34
WSP Global Inc.	354	45	66
Information Technology			
CGI Group Inc. Class A sub. voting	1,382	135	196
Open Text Corp.	1,365	72	76
Shopify Inc.	597	40	62
Materials			
Agnico Eagle Mines Ltd.	2,056	157	149
Barrick Gold Corp.	3,403	86	81
Cascades Inc.	1,965	29	25
CCL Industries Inc. Class B non-voting	2,225	137	133
Kinross Gold Corp.	10,406	84	83
Nutrien Ltd.	1,127	73	84
SSR Mining Inc.	1,575	32	22

Canadian Equity Value Fund S-347C

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or <u>Par Value</u>	Average <u>Cost</u>	Fair <u>Value</u>
Canadian Common Stock (continued)			
Materials (continued)			
Teck Resources Ltd. Class B	1,361	38	76
Real Estate			
Allied Properties REIT	2,805	96	57
Boardwalk REIT	1,771	67	126
CT REIT	2,416	39	35
Dream Office REIT	2,057	44	22
Utilities			
Capital Power Corp.	1,358	50	51
Fortis Inc.	808	42	44
Northland Power Inc.	2,882	106	69
TransAlta Corp.	3,836	42	42
Total Canadian Common Stock		6,098	7,060
Total Stocks		6,098	7,060
Transaction Costs (note 2)		(3)	
Total Investments		6,095	7,060

Canadian Equity Value Fund S-347C

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

Introduction

The objective of the Canadian Equity Value Fund S-347C (the Fund) in managing risk is the creation and protection of contractholder value. Risk is inherent in the Fund's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. The process of risk management is critical to the Fund's continuing profitability. The Fund can be exposed to liquidity risk, market risk (which includes currency risk, interest rate risk and other price risk) and credit risk arising from the financial instruments it holds.

A. Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023, and groups the securities by asset type, geographic region and/or market segment. The following sections describe the significant risks that are relevant to the Fund.

To assist with managing risk, The Canada Life Assurance Company (Canada Life or the Company) maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and other regulations.

B. Liquidity Risk

Liquidity risk arises when a fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units by contractholders. The Fund retains sufficient cash and cash equivalent positions to maintain adequate liquidity to meet the obligation to fund daily cash redemptions of their redeemable units.

Some securities are illiquid due to legal restrictions on their resale, the nature of the investment, or simply a lack of interested buyers for a particular security or security type. Certain securities may become less liquid due to changes in market conditions, such as interest rate changes or market volatility, which could impair the ability of a fund to sell such securities quickly.

In accordance with the Fund's policy, the Company monitors the Fund's liquidity positions on a regular basis.

C. Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The classifications used on the Schedule of Investment Portfolio for the financial instruments are based on the country of issue.

Canadian Equity Value Fund S-347C

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

C. Currency Risk (continued)

The table below indicates the foreign currencies to which the Fund had significant exposure as at December 31, 2023 in Canadian dollar terms, including the underlying principal amount of forward currency contracts, if any. The table also illustrates the potential impact to the Fund's net assets attributable to contractholders, all other variables held constant, as a result of a 1% change in these currencies relative to the Canadian dollar. In practice, the actual results may differ from this sensitivity analysis and the difference could be significant.

2023

Currency	Investments	Cash, Short-term Deposits and Overdrafts	Total*	Impact on Net Assets Attributable to Contractholders
United States Dollar	\$ —	\$ 2	\$ 2	\$ —
Total	\$ —	\$ 2	\$ 2	\$ —
As Percent of Net Assets Attributable to Contractholders				—%

*Includes both monetary and non-monetary instruments

2022

Currency	Investments	Cash, Short-term Deposits and Overdrafts	Total*	Impact on Net Assets Attributable to Contractholders
United States Dollar	\$ —	\$ 3	\$ 3	\$ —
Total	\$ —	\$ 3	\$ 3	\$ —
As Percent of Net Assets Attributable to Contractholders				—%

*Includes both monetary and non-monetary instruments

D. Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. The Fund Manager moderates this risk through careful selection of securities and other financial instruments within the parameters of the investment strategy. The maximum risk resulting from financial instruments is equivalent to their fair value.

For the Fund, the most significant exposure to other price risk arises from its investment in equity securities. As at December 31, 2023, had the prices on the respective stock exchanges for these securities increased or decreased by 1%, with all other variables held constant, assets would have increased (or decreased) by approximately \$71 (\$97 at December 31, 2022) or approximately 1.0% (1.0% at December 31, 2022) of total net assets attributable to contractholders. In practice, the actual results may differ and the difference could be significant.

Canadian Equity Value Fund S-347C

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

E. Fair Value Classification

The following table presents information about the Fund's assets measured at fair value on a recurring basis and indicates the fair value hierarchy of the valuation techniques utilized by the Fund to determine such fair value:

<u>Assets measured at fair value</u>	2023			
	Assets Measured at Fair Value			
	Level 1	Level 2	Level 3	Total
Stocks	\$ 7,060	\$ —	\$ —	\$ 7,060
Total assets measured at fair value	\$ 7,060	\$ —	\$ —	\$ 7,060

<u>Assets measured at fair value</u>	2022			
	Assets Measured at Fair Value			
	Level 1	Level 2	Level 3	Total
Stocks	\$ 9,683	\$ —	\$ —	\$ 9,683
Total assets measured at fair value	\$ 9,683	\$ —	\$ —	\$ 9,683

There were no significant transfers between Level 1 and Level 2 during 2023 or 2022.

Canadian Equity Value Fund S-347C

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Net Assets Attributable to Contractholders by Category

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
Generations/Mosaic	130,595	139,736	145,909	141,419	165,618	2,968	2,952	3,209	2,512	3,068
Generations I	26,064	28,276	33,359	38,368	44,324	394	396	486	451	542
Generations II	3,935	5,251	5,430	9,031	9,040	53	66	71	96	100
Generations Core	10,685	11,556	12,393	12,031	12,215	156	156	174	136	143
75/75 guarantee policy	10,450	13,150	13,844	13,113	15,476	172	201	219	167	205
75/100 guarantee policy	79,437	94,683	114,642	141,095	180,032	1,282	1,418	1,784	1,771	2,353
100/100 guarantee policy	11,842	12,434	12,645	12,853	31,304	182	178	189	155	395
PS1 75/75 guarantee policy	15,847	13,650	13,236	13,997	14,129	307	244	244	207	216
PS1 75/100 guarantee policy	74,555	73,269	65,251	61,987	62,298	1,410	1,281	1,181	901	939
PS1 100/100 guarantee policy	—	—	—	—	1,785	—	—	—	—	26
PS2 75/75 guarantee policy	2,443	2,494	2,546	2,599	2,657	62	57	58	47	48
PS2 75/100 guarantee policy	2,547	2,617	2,688	8,304	11,422	64	59	62	149	208
PS2 100/100 guarantee policy	1,303	1,353	1,404	1,457	1,515	33	31	32	26	28

Net Assets Attributable to Contractholders Per Unit (note 6)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
Generations/Mosaic	22.73	21.13	21.99	17.76	18.53	1.60	(0.86)
Generations I	15.10	14.01	14.56	11.74	12.23	1.09	(0.55)
Generations II	13.50	12.57	13.11	10.61	11.09	0.93	(0.54)
Generations Core	14.58	13.51	14.01	11.28	11.73	1.07	(0.50)
75/75 guarantee policy	16.47	15.26	15.84	12.75	13.25	1.21	(0.58)
75/100 guarantee policy	16.14	14.98	15.57	12.55	13.07	1.16	(0.59)
100/100 guarantee policy	15.36	14.30	14.92	12.08	12.62	1.06	(0.62)
PS1 75/75 guarantee policy	19.39	17.88	18.46	14.79	15.31	1.51	(0.58)
PS1 75/100 guarantee policy	18.92	17.49	18.10	14.54	15.07	1.43	(0.61)
PS1 100/100 guarantee policy	—	—	—	—	14.68	—	—
PS2 75/75 guarantee policy	25.19	22.72	22.95	17.98	18.20	2.47	(0.23)
PS2 75/100 guarantee policy	25.20	22.73	22.96	17.99	18.21	2.47	(0.23)
PS2 100/100 guarantee policy	25.20	22.73	22.96	17.99	18.20	2.47	(0.23)

Canadian Equity Value Fund S-347C

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Fund is offered by The Canada Life Assurance Company.

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

Canadian Equity Value Fund S-347C

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

Canadian Equity Value Fund S-347C

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in fair value measurements in the notes to the Schedule of Investment Portfolio.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

Canadian Equity Value Fund S-347C

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Stocks

Stocks are recorded at fair value determined with reference to closing quoted market prices, where the last traded price falls within the day's bid-ask spread, primarily provided by third party independent pricing sources. Fair values are determined on the basis of the closing price for a security on the recognized exchange on which it is principally traded at each reporting date. In circumstances where the last traded price is not within the bid-ask spread, the Company determines the point when the bid-ask spread that is most representative of fair value based on the specific facts and circumstances.

The fair value of unlisted securities is established using quotations determined by a major dealer in a particular security. Should the quoted value for a security, in the opinion of the Fund Manager, be inaccurate, unreliable, or not readily available, the value of the security is estimated using valuation techniques. Valuation techniques include the market approach (using recent arm's-length market transactions adjusted as necessary and reference to the current market value of another instrument that is substantially the same) and the income approach (discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible).

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

Dividend income - accrued as of the ex-dividend date and recorded on the accrual basis.

Canadian Equity Value Fund S-347C

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

Miscellaneous income (loss)

Miscellaneous income (loss) generally includes the changes in foreign exchange rates between trade and settlement dates, foreign exchange rates on bank balances, securities lending income, derivative income, and management fee rebates.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

Canadian Equity Value Fund S-347C

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

k) Income Allocation

Net gain (loss) on investments, which includes dividend income, realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the net asset value (NAV) per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

m) Transaction Costs

Transaction costs, such as brokerage commissions, incurred in the purchase and sale of securities by the Fund are charged to expenses in the year.

Canadian Equity Value Fund S-347C

Notes to the Financial Statements

(in Canadian \$ thousands)

3. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Emperor,
- Flex,
- Generations/Mosaic,
- Generations I,
- Generations II,
- Generations Core,
- Prestige/Prestige Plus, and
- Private Collections.

In addition to the Individual units, units are available for:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

The categories of units are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

Canadian Equity Value Fund S-347C

Notes to the Financial Statements

(in Canadian \$ thousands)

4. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

5. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

6. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

Canadian Equity Value Fund S-347C

Notes to the Financial Statements

(in Canadian \$ thousands)

7. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.
- c) The Fund invests in assets or underlying funds managed by Mackenzie Financial Corporation, which operates as Mackenzie Investments. All investment transactions with the corresponding underlying funds are at quoted market prices.

Canadian Equity Value Fund S-347C

Supplemental Information (unaudited)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾

For the years ended December 31	2023	2022	2021	2020	2019
Generations/Mosaic	3.02	3.02	3.02	3.02	3.02
Generations I	2.86	2.85	2.85	2.85	2.88
Generations II	3.22	3.22	3.24	3.21	3.23
Generations Core	2.69	2.69	2.68	2.68	2.69
75/75 guarantee policy	2.69	2.69	2.68	2.68	2.68
75/100 guarantee policy	2.86	2.86	2.86	2.85	2.88
100/100 guarantee policy	3.22	3.22	3.22	3.24	3.22
PS1 75/75 guarantee policy	2.23	2.22	2.22	2.22	2.25
PS1 75/100 guarantee policy	2.45	2.44	2.44	2.44	2.47
PS1 100/100 guarantee policy	—	—	—	—	2.80

Portfolio Turnover Rate (%) ⁽²⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	3.18	113.22	31.96	50.20	20.42

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
CANADIAN RESOURCE FUND S-348MF

December 31, 2023

Independent Auditor's Report

To the Contractholders of Canadian Resource Fund S-348MF (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

Canadian Resource Fund S-348MF

(in Canadian \$ thousands)

Fund Manager: Canada Life Investment Management Ltd.

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ —	\$ 395
Investment income due and accrued	—	—
Due from The Canada Life Assurance Company (note 8)	—	138
Due from brokers	91	—
Due from outside parties	—	—
Investments		
Investment fund units (note 3)	122,526	144,636
Total investments	122,526	144,636
Total assets	\$ 122,617	\$ 145,169
Liabilities		
Overdrafts	\$ 60	\$ —
Due to The Canada Life Assurance Company (note 8)	5	—
Due to brokers	—	316
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	65	316
Net assets attributable to contractholders	\$ 122,552	\$ 144,853

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 8,479	\$ 19,370
Miscellaneous income (loss)	—	—
Total income (loss)	8,479	19,370
Expenses		
Management fees (note 8)	3,364	3,290
Other	323	328
Total expenses	3,687	3,618
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 4,792	\$ 15,752

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year		
	\$ 144,853	\$ 95,813
Contractholder deposits	10,321	57,074
Contractholder withdrawals	(37,414)	(23,786)
Increase (decrease) in net assets from operations attributable to contractholders	4,792	15,752
Change in net assets attributable to contractholders	(22,301)	49,040
Net assets attributable to contractholders - end of year	\$ 122,552	\$ 144,853

Canadian Resource Fund S-348MF

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 4,792	\$ 15,752
Adjustments		
Realized (gains) losses	(7,712)	(6,003)
Unrealized (gains) losses	7,357	(6,726)
Gross proceeds of disposition of investments	37,663	30,737
Gross payments for the purchase of investments	(7,074)	(60,137)
Distribution income of underlying mutual fund	(8,124)	(6,641)
Change in due from/to The Canada Life Assurance Company	143	(207)
Change in due from/to brokers	(407)	340
	<u>26,638</u>	<u>(32,885)</u>
Financing Activities		
Contractholder deposits	10,321	57,074
Contractholder withdrawals	(37,414)	(23,786)
	<u>(27,093)</u>	<u>33,288</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	(455)	403
Cash, short-term deposits and overdrafts, beginning of year	395	(8)
Cash, short-term deposits and overdrafts, end of year	\$ (60)	\$ 395

Canadian Resource Fund S-348MF

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units)

As at December 31, 2023

	<u>No. of Units</u>	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units			
Canada Life Global Resources Fund Series S *	4,418,890	102,646	122,526
Total Investments		102,646	122,526

Top 25 Holdings

Security Description	% of Total
Shell PLC Class A ADR	4.71%
TotalEnergies SE ADR	4.24%
Advantage Energy Ltd.	3.48%
Tourmaline Oil Corp.	3.46%
ARC Resources Ltd.	2.83%
Interfor Corp.	2.65%
Cash and short-term deposits	2.50%
Vale SA ADR	2.47%
Petroleo Brasileiro SA ADR	2.46%
BP PLC ADR	2.43%
Stelco Holdings Inc.	2.36%
Canadian Natural Resources Ltd.	2.03%
Buried Hill Energy Public Co. Ltd. Private Placement	2.00%
Agnico Eagle Mines Ltd.	1.94%
Parex Resources Inc.	1.84%
Champion Iron Ltd.	1.83%
The Williams Companies Inc.	1.79%
Gold Fields Ltd. ADR	1.77%
West Fraser Timber Co. Ltd.	1.76%
Secure Energy Services Inc.	1.75%
Nutrien Ltd.	1.73%
Whitecap Resources Inc.	1.64%
Neoenergia SA	1.63%
Plains GP Holdings LP	1.63%
Parkland Corp. of Canada	1.56%

*The issuer of this security is a related company to the issuer of the Fund.

Canadian Resource Fund S-348MF

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance. Portfolio units are allocated to each category as described in note 4 and are not included on this page.

Net Assets Attributable to Contractholders by Category

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
Generations/Mosaic	796,375	918,074	947,136	925,445	1,081,507	20,303	22,734	20,253	13,658	15,616
Generations I	172,024	225,045	214,511	268,200	347,177	2,217	2,810	2,308	1,987	2,512
Generations II	233,197	371,160	447,067	633,780	821,549	2,288	3,544	3,692	3,618	4,596
Generations Core	209,837	237,299	322,720	415,048	454,300	2,269	2,481	2,901	2,564	2,734
75/75 guarantee policy	963,521	1,042,473	727,632	720,587	526,630	15,022	15,718	9,432	6,418	4,571
75/100 guarantee policy	1,465,257	1,634,130	1,104,060	856,644	884,321	22,109	23,898	13,912	7,433	7,491
100/100 guarantee policy	300,563	351,127	266,714	213,527	314,118	4,293	4,879	3,206	1,774	2,558
PS1 75/75 guarantee policy	692,119	665,800	364,515	197,294	132,452	9,996	9,257	4,338	1,606	1,045
PS1 75/100 guarantee policy	1,767,584	2,539,980	1,226,225	402,964	285,097	24,800	34,365	14,228	3,207	2,205
PS1 100/100 guarantee policy	335,882	478,558	313,651	71,037	70,154	4,449	6,136	3,464	541	522
PS2 75/75 guarantee policy	120,279	212,610	56,466	27,768	16,033	2,344	3,886	860	282	154
PS2 75/100 guarantee policy	109,856	157,811	91,817	35,545	32,124	2,144	2,888	1,401	361	308
PS2 100/100 guarantee policy	11,009	167,984	147,947	62,283	78,761	215	3,070	2,254	632	755
PS 75/75 guarantee policy	14,922	14,880	11,262	3,144	715	218	208	134	25	6
PS 75/100 guarantee policy	70,173	72,040	55,473	11,408	8,912	1,014	998	655	92	69
PS 100/100 guarantee policy	—	—	—	—	1,462	—	—	—	—	11
PPS 75/75 guarantee policy	15,526	23,650	12,312	1,135	808	233	338	149	9	6
PPS 75/100 guarantee policy	50,906	62,555	18,994	3,734	2,729	754	884	228	30	21
PPS 100/100 guarantee policy	7,761	7,827	—	—	—	110	106	—	—	—

Net Assets Attributable to Contractholders Per Unit (note 7)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
Generations/Mosaic	25.49	24.76	21.38	14.76	14.44	0.73	3.38
Generations I	12.89	12.49	10.76	7.41	7.23	0.40	1.73
Generations II	9.81	9.55	8.26	5.71	5.59	0.26	1.29
Generations Core	10.81	10.46	8.99	6.18	6.02	0.35	1.47
75/75 guarantee policy	15.59	15.08	12.96	8.91	8.68	0.51	2.12
75/100 guarantee policy	15.09	14.62	12.60	8.68	8.47	0.47	2.02
100/100 guarantee policy	14.28	13.90	12.02	8.31	8.14	0.38	1.88
PS1 75/75 guarantee policy	14.44	13.90	11.90	8.14	7.89	0.54	2.00
PS1 75/100 guarantee policy	14.03	13.53	11.60	7.96	7.74	0.50	1.93
PS1 100/100 guarantee policy	13.25	12.82	11.04	7.61	7.43	0.43	1.78
PS2 75/75 guarantee policy	19.49	18.28	15.24	10.15	9.59	1.21	3.04
PS2 75/100 guarantee policy	19.51	18.30	15.26	10.16	9.60	1.21	3.04
PS2 100/100 guarantee policy	19.49	18.28	15.24	10.15	9.59	1.21	3.04
PS 75/75 guarantee policy	14.63	13.99	11.90	8.09	7.79	0.64	2.09
PS 75/100 guarantee policy	14.45	13.85	11.81	8.04	7.77	0.60	2.04
PS 100/100 guarantee policy	—	—	—	—	7.72	—	—
PPS 75/75 guarantee policy	15.01	14.30	12.10	8.19	7.85	0.71	2.20
PPS 75/100 guarantee policy	14.81	14.13	11.99	8.13	7.82	0.68	2.14
PPS 100/100 guarantee policy	14.19	13.59	—	—	—	0.60	2.02

Canadian Resource Fund S-348MF

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Canadian Resource Fund S-348MF (the Fund) is offered by The Canada Life Assurance Company (Canada Life or the Company).

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

Canadian Resource Fund S-348MF

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

Canadian Resource Fund S-348MF

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in note 9 on Financial Instrument Risk Management.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

Canadian Resource Fund S-348MF

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Investment Fund Units

Investment fund units are recorded at fair value, which is the closing net asset value (NAV) per unit of the underlying fund.

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Canadian Resource Fund S-348MF

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

Canadian Resource Fund S-348MF

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

k) Income Allocation

Net gain (loss) on investments, which includes realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the NAV per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

3. INVESTMENT FUND UNITS

Investment fund units of the Fund invest solely in underlying mutual funds.

As the Fund's assets are invested in underlying investment funds, the Fund indirectly pays management fees and operating expenses of the underlying funds. All such charges are included in the management expense ratio of the segregated funds.

Distributions of income from the underlying investment funds are shown as net gain (loss) on investments on the Statement of Comprehensive Income.

Investment activity of the underlying fund indirectly exposes the Fund to financial risk. See note 9 on Financial Instrument Risk Management.

Investments in unconsolidated structured entities

The Company has determined that the Fund meets the definition of an investment entity and as such, accounts for its holdings in unlisted open-ended investment funds at FVTPL. The Company has concluded that the underlying funds in which the Fund invests, but do not consolidate, meet the definition of structured entities because: (i) the voting rights in the underlying funds are not dominant rights in deciding who controls them; (ii) each underlying fund's activities are restricted by its prospectus; and (iii) the underlying funds have narrow and well-defined objectives to provide investment opportunities to investors.

Canadian Resource Fund S-348MF

Notes to the Financial Statements

(in Canadian \$ thousands)

4. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Emperor,
- Flex,
- Generations/Mosaic,
- Generations I,
- Generations II,
- Generations Core,
- Prestige/Prestige Plus, and
- Private Collections.

In addition to the Individual units, units are available for:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

Portfolio units are those units owned by the Asset Allocation Funds. Each Portfolio fund is represented by a separate category.

The categories of units, and the various levels within each, are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

Canadian Resource Fund S-348MF

Notes to the Financial Statements

(in Canadian \$ thousands)

5. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

6. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

7. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

Canadian Resource Fund S-348MF

Notes to the Financial Statements

(in Canadian \$ thousands)

8. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.
- c) The Fund invests in assets or underlying funds managed by Canada Life Investment Management Ltd. All investment transactions with the corresponding underlying funds are at quoted market prices.

Canadian Resource Fund S-348MF

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT

a) Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023. The following sections describe the significant risks that are relevant to the Fund.

To assist with managing risk, the Fund Manager maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and securities regulations. Financial statements for the underlying funds, which include discussions about their respective risk exposure, are available upon request.

b) Liquidity Risk

Liquidity risk arises when a Fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units. As the Fund primarily invests all of its net assets in the underlying funds, liquidity risk is mitigated by the underlying funds' ability to meet the obligation to fund daily cash redemptions of their redeemable units/shares. In addition, the underlying funds retain sufficient cash and cash equivalent positions to maintain adequate liquidity.

c) Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The Fund's investments in all underlying funds are denominated in Canadian dollars. However, the Fund is indirectly exposed to currency risk to the extent that the investments of the underlying funds are denominated or traded in a foreign currency.

d) Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund does not directly hold any interest-bearing financial instruments. The Fund is indirectly exposed to the risk that the value of interest-bearing financial instruments held by the underlying funds will fluctuate due to changes in the prevailing levels of market interest rates.

e) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund has no direct exposure to credit risk. The greatest indirect concentration of credit risk is in debt securities, such as bonds, held by underlying funds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer.

f) Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. For the instruments held by the Fund, maximum risk of loss is equivalent to their fair value. The Fund Manager moderates this risk through a careful selection of underlying funds within the parameters of the investment strategy.

g) Fair Value Classification

Investment Fund Units are recorded at fair value, which is the closing NAV per unit of the underlying fund. This valuation is considered to be a Level 1 classification.

Canadian Resource Fund S-348MF

Supplemental Information (unaudited)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾

For the years ended December 31	2023	2022	2021	2020	2019
Generations/Mosaic	3.51	3.52	3.52	3.53	3.51
Generations I	3.29	3.30	3.31	3.31	3.29
Generations II	3.68	3.69	3.69	3.69	3.67
Generations Core	3.07	3.09	3.09	3.08	3.07
75/75 guarantee policy	3.07	3.09	3.08	3.08	3.07
75/100 guarantee policy	3.29	3.31	3.30	3.30	3.29
100/100 guarantee policy	3.68	3.70	3.68	3.69	3.68
PS1 75/75 guarantee policy	2.62	2.63	2.61	2.58	2.58
PS1 75/100 guarantee policy	2.78	2.84	2.91	2.85	2.85
PS1 100/100 guarantee policy	3.17	3.27	3.40	3.35	3.35
PS 75/75 guarantee policy	1.98	1.98	1.97	1.97	1.97
PS 75/100 guarantee policy	2.20	2.20	2.21	2.20	2.18
PS 100/100 guarantee policy	—	—	—	—	2.57
PPS 75/75 guarantee policy	1.53	1.52	1.53	1.48	1.48
PPS 75/100 guarantee policy	1.69	1.74	1.80	1.76	1.75
PPS 100/100 guarantee policy	2.07	2.17	—	—	—

Unsubsidized Management Expense Ratio (%) ⁽²⁾

For the years ended December 31	2023	2022	2021	2020	2019
PS1 75/75 guarantee policy	2.62	2.63	2.61	2.62	2.61
PS1 75/100 guarantee policy	2.78	2.84	2.91	2.89	2.88
PS1 100/100 guarantee policy	3.17	3.27	3.40	3.39	3.38
PPS 75/75 guarantee policy	1.53	1.52	1.53	1.52	1.51
PPS 75/100 guarantee policy	1.69	1.74	1.80	1.80	1.78

Portfolio Turnover Rate (%) ⁽³⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	5.20	22.86	110.65	15.75	4.07

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The Company has waived a portion of the fees for the Preferred Series 1 and Preferred Partner Series guarantee policies. There is no obligation for the Company to continue waiving these fees and it may cease to do so at any time without notice.

(3) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
REAL ESTATE FUND (GWLRA) SF353

December 31, 2023

Independent Auditor's Report

To the Contractholders of Real Estate Fund (GWLRA) SF353 (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

Real Estate Fund (GWLRA) SF353

(in Canadian \$ thousands)

Fund Manager: GWL Realty Advisors Inc.

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ 136	\$ 270
Investment income due and accrued	—	—
Due from The Canada Life Assurance Company (note 8)	666	208
Due from brokers	—	—
Due from outside parties	—	—
Investments		
Investment fund units (note 3)	550,192	625,972
Total investments	550,192	625,972
Total assets	\$ 550,994	\$ 626,450
Liabilities		
Overdrafts	\$ —	\$ —
Due to The Canada Life Assurance Company (note 8)	—	—
Due to brokers	—	—
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	—	—
Net assets attributable to contractholders	\$ 550,994	\$ 626,450

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ (17,267)	\$ 38,251
Miscellaneous income (loss)	—	—
Total income (loss)	(17,267)	38,251
Expenses		
Management fees (note 8)	8,725	8,614
Other	851	823
Total expenses	9,576	9,437
Net increase (decrease) in net assets from operations attributable to contractholders	\$ (26,843)	\$ 28,814

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year		
	\$ 626,450	\$ 515,253
Contractholder deposits	30,811	158,115
Contractholder withdrawals	(79,424)	(75,732)
Increase (decrease) in net assets from operations attributable to contractholders	(26,843)	28,814
Change in net assets attributable to contractholders	(75,456)	111,197
Net assets attributable to contractholders - end of year	\$ 550,994	\$ 626,450

Real Estate Fund (GWLRA) SF353

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ (26,843)	\$ 28,814
Adjustments		
Realized (gains) losses	(25,414)	(10,461)
Unrealized (gains) losses	42,681	(27,790)
Gross proceeds of disposition of investments	73,279	27,372
Gross payments for the purchase of investments	(14,766)	(100,543)
Distribution income of underlying mutual fund	—	—
Change in due from/to The Canada Life Assurance Company	(458)	108
Change in due from/to brokers	—	—
	<u>48,479</u>	<u>(82,500)</u>
Financing Activities		
Contractholder deposits	30,811	158,115
Contractholder withdrawals	(79,424)	(75,732)
	<u>(48,613)</u>	<u>82,383</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	(134)	(117)
Cash, short-term deposits and overdrafts, beginning of year	270	387
Cash, short-term deposits and overdrafts, end of year	\$ 136	\$ 270

Real Estate Fund (GWLRA) SF353

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units)

As at December 31, 2023

	<u>No. of Units</u>	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units			
Canadian Real Estate Investment Fund No. 1 Category AC *	1,372,236	369,666	550,192
Total Investments		369,666	550,192

Top 25 Holdings

Security Description	% of Total
Laird Business Park	5.84%
Livmore High Park	4.88%
High Park Village - West Tower	4.67%
Grenadier Square	4.00%
Cash and short-term deposits	3.96%
Lillian Redpath Towers	3.20%
33 Yonge St.	3.12%
320 McRae Ave.	3.04%
Bayview Village	2.87%
6301, 6315, 6325 106 Ave. SE	2.69%
5150 - 5160 Yonge St	2.65%
5140 Yonge St.	2.58%
200 Kent St.	2.57%
1 Adelaide St.	2.54%
Erin Mills Portfolio	2.53%
50 Prince Arthur Ave.	2.49%
Goreway Business Park	2.43%
Ridgeway Business Park	2.40%
6 Silver Maple Court	2.33%
8350 Lawson Rd.	2.30%
4 King St. West	1.95%
The Diplomats	1.92%
2200 Trans-Canada Highway	1.91%
Superior Business Park	1.87%
Vancouver Centre Phase II	1.85%

*The issuer of this security is a related company to the issuer of the Fund.

Real Estate Fund (GWLRA) SF353

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance. Portfolio units, as described in note 4 and seed money units, as described in note 8 c), are allocated to each category and are not included on this page.

Net Assets Attributable to Contractholders by Category

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
Generations/Mosaic	1,125,790	1,385,077	1,546,649	2,071,310	2,238,328	24,721	32,418	34,905	43,316	47,192
Generations I	419,121	497,407	598,112	1,179,841	1,275,988	8,933	11,274	13,042	23,785	25,876
Generations II	125,384	152,128	177,546	284,729	336,853	2,036	2,638	2,975	4,430	5,295
Generations Core	305,662	401,108	449,100	585,400	702,822	5,441	7,586	8,163	9,827	11,857
75/75 guarantee policy	3,577,666	4,040,394	2,784,172	2,971,107	2,352,873	66,050	79,245	52,482	51,727	41,172
75/100 guarantee policy	3,153,096	3,519,747	2,801,976	3,371,534	2,883,816	56,974	67,632	51,796	57,620	49,578
100/100 guarantee policy	394,534	455,886	403,484	489,060	540,288	6,712	8,283	7,084	7,973	8,899
PS1 75/75 guarantee policy	2,353,441	2,982,993	1,965,104	1,860,944	1,467,518	37,653	50,471	31,810	27,697	21,851
PS1 75/100 guarantee policy	3,493,560	3,989,228	2,924,875	2,678,657	2,230,067	54,827	66,317	46,596	39,299	32,785
PS1 100/100 guarantee policy	210,191	307,662	278,119	286,291	280,843	3,155	4,911	4,271	4,064	4,010
PS2 75/75 guarantee policy	725,601	1,423,428	672,407	263,650	214,751	15,638	31,619	13,928	4,894	3,887
PS2 75/100 guarantee policy	577,479	744,195	600,595	603,578	575,167	12,451	16,537	12,445	11,208	10,415
PS2 100/100 guarantee policy	29,894	46,697	45,463	49,754	55,776	644	1,037	942	923	1,009
PS 75/75 guarantee policy	408,956	500,061	298,665	183,220	41,570	4,949	6,359	3,610	2,023	456
PS 75/100 guarantee policy	389,895	436,789	283,718	125,107	79,454	4,691	5,528	3,417	1,378	871
PS 100/100 guarantee policy	—	—	—	3,084	10,788	—	—	—	34	117
PPS 75/75 guarantee policy	893,990	918,396	509,675	206,670	141,675	11,088	11,915	6,257	2,308	1,565
PPS 75/100 guarantee policy	652,231	651,930	434,634	175,012	120,841	8,016	8,395	5,305	1,946	1,332
PPS 100/100 guarantee policy	—	—	—	33,684	35,789	—	—	—	371	392

Net Assets Attributable to Contractholders Per Unit (note 7)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
Generations/Mosaic	21.96	23.40	22.57	20.91	21.08	(1.44)	0.83
Generations I	21.31	22.67	21.81	20.16	20.28	(1.36)	0.86
Generations II	16.23	17.34	16.75	15.56	15.72	(1.11)	0.59
Generations Core	17.80	18.91	18.18	16.79	16.87	(1.11)	0.73
75/75 guarantee policy	18.46	19.61	18.85	17.41	17.50	(1.15)	0.76
75/100 guarantee policy	18.07	19.22	18.49	17.09	17.19	(1.15)	0.73
100/100 guarantee policy	17.01	18.17	17.56	16.30	16.47	(1.16)	0.61
PS1 75/75 guarantee policy	16.00	16.92	16.19	14.88	14.89	(0.92)	0.73
PS1 75/100 guarantee policy	15.69	16.62	15.93	14.67	14.70	(0.93)	0.69
PS1 100/100 guarantee policy	15.01	15.96	15.36	14.20	14.28	(0.95)	0.60
PS2 75/75 guarantee policy	21.55	22.21	20.71	18.56	18.10	(0.66)	1.50
PS2 75/100 guarantee policy	21.56	22.22	20.72	18.57	18.11	(0.66)	1.50
PS2 100/100 guarantee policy	21.55	22.21	20.71	18.56	18.10	(0.66)	1.50
PS 75/75 guarantee policy	12.10	12.72	12.09	11.04	10.97	(0.62)	0.63
PS 75/100 guarantee policy	12.03	12.66	12.04	11.01	10.96	(0.63)	0.62
PS 100/100 guarantee policy	—	—	—	10.90	10.89	—	—
PPS 75/75 guarantee policy	12.40	12.97	12.28	11.17	11.05	(0.57)	0.69
PPS 75/100 guarantee policy	12.29	12.88	12.21	11.12	11.02	(0.59)	0.67
PPS 100/100 guarantee policy	—	—	—	11.01	10.96	—	—

Real Estate Fund (GWLRA) SF353

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Real Estate Fund (GWLRA) SF353 (the Fund) is offered by The Canada Life Assurance Company (Canada Life or the Company).

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

Real Estate Fund (GWLRA) SF353

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

Real Estate Fund (GWLRA) SF353

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in note 9 on Financial Instrument Risk Management.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

Real Estate Fund (GWLRA) SF353

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Investment Fund Units

Investment fund units are recorded at fair value, which is the closing net asset value (NAV) per unit of the underlying fund.

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Real Estate Fund (GWLRA) SF353

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Due to/from outside parties mainly consists of net operating and commodity tax balances due to outside parties related to the ongoing operations of the Fund's Real Estate investments.

Amounts due to/from outside parties are held at fair value which approximates their cost.

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

Real Estate Fund (GWLRA) SF353

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

k) Income Allocation

Net gain (loss) on investments, which includes realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the NAV per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

3. INVESTMENT FUND UNITS

Investment fund units of the Fund invest solely in underlying segregated funds.

As the Fund's assets are invested in underlying investment funds, the Fund indirectly pays management fees and operating expenses of the underlying funds. All such charges are included in the management expense ratio of the segregated funds.

Investment activity of the underlying fund indirectly exposes the Fund to financial risk. See note 9 on Financial Instrument Risk Management.

Investments in unconsolidated structured entities

The Company has determined that the Fund meets the definition of an investment entity and as such, accounts for its holdings in unlisted open-ended investment funds at FVTPL. The Company has concluded that the underlying funds in which the Fund invests, but do not consolidate, meet the definition of structured entities because: (i) the voting rights in the underlying funds are not dominant rights in deciding who controls them; (ii) each underlying fund's activities are restricted by its prospectus; and (iii) the underlying funds have narrow and well-defined objectives to provide investment opportunities to investors.

Real Estate Fund (GWLRA) SF353

Notes to the Financial Statements

(in Canadian \$ thousands)

4. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Emperor,
- Flex,
- Generations/Mosaic,
- Generations I,
- Generations II,
- Generations Core,
- Prestige/Prestige Plus, and
- Private Collections.

In addition to the Individual units, units are available for:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

Portfolio units are those units owned by the Asset Allocation Funds. Each Portfolio fund is represented by a separate category.

The categories of units, and the various levels within each, are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

Real Estate Fund (GWLRA) SF353

Notes to the Financial Statements

(in Canadian \$ thousands)

5. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

6. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

7. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

Real Estate Fund (GWLRA) SF353

Notes to the Financial Statements

(in Canadian \$ thousands)

8. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland
GWL Realty Advisors Inc.	Wholly-owned subsidiary of the Company	Canada

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.
- c) As at December 31, 2023, the Company held an investment in the Fund with a value of \$2,896 (\$3,076 at December 31, 2022).
- d) The Fund invests in assets or underlying funds managed by GWL Realty Advisors Inc. All investment transactions with the corresponding underlying funds are at quoted market prices.

Real Estate Fund (GWLRA) SF353

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT

a) Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023. The following sections describe the significant risks that are relevant to the Fund.

To assist with managing risk, the Fund Manager maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and securities regulations. Financial statements for the underlying funds, which include discussions about their respective risk exposure, are available upon request.

b) Liquidity Risk

Liquidity risk arises when a Fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units. As the Fund primarily invests all of its net assets in the underlying funds, liquidity risk is mitigated by the underlying funds' ability to meet the obligation to fund daily cash redemptions of their redeemable units/shares. In addition, the underlying funds retain sufficient cash and cash equivalent positions to maintain adequate liquidity.

c) Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The Fund's investments in all underlying funds are denominated in Canadian dollars. However, the Fund is indirectly exposed to currency risk to the extent that the investments of the underlying funds are denominated or traded in a foreign currency.

d) Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund does not directly hold any interest-bearing financial instruments. The Fund is indirectly exposed to the risk that the value of interest-bearing financial instruments held by the underlying funds will fluctuate due to changes in the prevailing levels of market interest rates.

e) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund has no direct exposure to credit risk. The greatest indirect concentration of credit risk is in debt securities, such as bonds, held by underlying funds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer.

f) Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. For the instruments held by the Fund, maximum risk of loss is equivalent to their fair value. The Fund Manager moderates this risk through a careful selection of underlying funds within the parameters of the investment strategy.

g) Fair Value Classification

Investment Fund Units are recorded at fair value, which is the closing NAV per unit of the underlying fund. This valuation is considered to be a Level 2 classification.

Real Estate Fund (GWLRA) SF353

Supplemental Information (unaudited)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾

For the years ended December 31	2023	2022	2021	2020	2019
Generations/Mosaic	3.36	3.35	3.35	3.34	3.35
Generations I	3.13	3.12	3.14	3.11	3.12
Generations II	3.56	3.56	3.57	3.55	3.56
Generations Core	3.03	3.02	3.03	3.01	3.02
75/75 guarantee policy	3.03	3.01	3.02	3.01	3.02
75/100 guarantee policy	3.13	3.11	3.12	3.11	3.12
100/100 guarantee policy	3.56	3.55	3.56	3.55	3.56
PS1 75/75 guarantee policy	2.57	2.56	2.57	2.56	2.57
PS1 75/100 guarantee policy	2.74	2.72	2.73	2.72	2.73
PS1 100/100 guarantee policy	3.12	3.11	3.11	3.10	3.12
PS 75/75 guarantee policy	1.93	1.92	1.92	1.91	1.92
PS 75/100 guarantee policy	2.03	2.02	2.02	2.02	2.01
PS 100/100 guarantee policy	—	—	—	2.47	2.45
PPS 75/75 guarantee policy	1.48	1.47	1.47	1.47	1.47
PPS 75/100 guarantee policy	1.64	1.63	1.63	1.63	1.63
PPS 100/100 guarantee policy	—	—	—	2.01	2.02

Portfolio Turnover Rate (%) ⁽²⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	2.47	4.73	16.75	5.84	7.90

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
INCOME OPPORTUNITY FUND (LLIM) SF354

December 31, 2023

Independent Auditor's Report

To the Contractholders of Income Opportunity Fund (LLIM) SF354 (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

Income Opportunity Fund (LLIM) SF354

(in Canadian \$ thousands)

Fund Manager: Mackenzie Investments

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ 10,987	\$ 9,847
Investment income due and accrued	942	413
Due from The Canada Life Assurance Company (note 8)	228	218
Due from brokers	—	16
Due from outside parties	—	—
Investments		
Bonds	122,350	56,399
Stocks	57,619	27,101
Investment fund units	—	—
Derivatives (note 7)	405	25
Total investments	180,374	83,525
Total assets	\$ 192,531	\$ 94,019
Liabilities		
Overdrafts	\$ —	\$ —
Due to The Canada Life Assurance Company (note 8)	—	—
Due to brokers	905	19
Due to outside parties	—	—
Derivatives (note 7)	157	—
Total liabilities excluding net assets attributable to contractholders	1,062	19
Net assets attributable to contractholders	\$ 191,469	\$ 94,000

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 11,985	\$ (2,064)
Miscellaneous income (loss)	75	(38)
Total income (loss)	12,060	(2,102)
Expenses		
Management fees (note 8)	2,490	1,018
Transaction costs	33	37
Withholding taxes	53	7
Other	277	106
Total expenses	2,853	1,168
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 9,207	\$ (3,270)

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year		
	\$ 94,000	\$ 42,362
Contractholder deposits	108,732	61,146
Contractholder withdrawals	(20,470)	(6,238)
Increase (decrease) in net assets from operations attributable to contractholders	9,207	(3,270)
Change in net assets attributable to contractholders	97,469	51,638
Net assets attributable to contractholders - end of year	\$ 191,469	\$ 94,000

Income Opportunity Fund (LLIM) SF354

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 9,207	\$ (3,270)
Adjustments		
Add back amortization of premium (discount)	(140)	15
Realized (gains) losses	1,341	(1,604)
Unrealized (gains) losses	(8,179)	5,374
Gross proceeds of disposition of investments	86,553	79,265
Gross payments for the purchase of investments	(176,267)	(125,403)
Change in investment income due and accrued	(529)	(214)
Change in due from/to The Canada Life Assurance Company	(10)	(222)
Change in due from/to brokers	902	(11)
Change in due from/to outside parties	—	—
	<u>(87,122)</u>	<u>(46,070)</u>
Financing Activities		
Contractholder deposits	108,732	61,146
Contractholder withdrawals	(20,470)	(6,238)
	<u>88,262</u>	<u>54,908</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	1,140	8,838
Cash, short-term deposits and overdrafts, beginning of year	9,847	1,009
Cash, short-term deposits and overdrafts, end of year	\$ 10,987	\$ 9,847
Supplementary cash flow information		
Interest income received	\$ 2,631	\$ 758
Dividend income received	1,334	679

Income Opportunity Fund (LLIM) SF354

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or Par Value	Average Cost	Fair Value
Canadian Bonds			
Federal Government			
CPPIB Capital Inc. 2.25% 12-01-2031	344,000	312	310
CPPIB Capital Inc. 3.95% 06-02-2032	82,000	82	83
Government of Canada 0.25% 12-01-2054 Real Return	246,000	181	205
Government of Canada 0.50% 12-01-2050 Real Return	476,000	466	464
Government of Canada 1.75% 12-01-2053	1,359,000	859	1,021
Government of Canada 2.50% 12-01-2032	1,958,000	1,911	1,867
Government of Canada 2.75% 06-01-2033	8,658,000	8,184	8,414
Total Federal Government		11,995	12,364
Provincial Government			
Ontario Power Generation Inc. 1.17% 04-22-2026	40,000	36	37
Ontario Power Generation Inc. 2.977% 09-13-2029	320,000	292	301
Ontario Power Generation Inc. 3.215% 04-08-2030	76,000	72	72
Ontario Power Generation Inc. 4.922% 07-19-2032	20,000	20	21
Ontario Teachers' Finance Trust 1.10% 10-19-2027	50,000	45	45
Ontario Teachers' Finance Trust 4.45% 06-02-2032	46,000	46	48
Province of Alberta 2.95% 06-01-2052	870,000	683	718
Province of Alberta 3.05% 12-01-2048	130,000	119	109
Province of Alberta 3.10% 06-01-2050	1,330,000	1,199	1,130
Province of Alberta 3.45% 12-01-2043	375,000	405	343
Province of Alberta 4.15% 06-01-2033	80,000	78	82
Province of British Columbia 2.30% 06-18-2026	155,000	149	149
Province of British Columbia 2.85% 06-18-2025	500,000	490	490
Province of British Columbia 2.95% 06-18-2050	257,000	282	214
Province of British Columbia 3.55% 06-18-2033	832,000	755	818
Province of Manitoba 2.05% 09-05-2052	486,000	328	320
Province of Manitoba 3.20% 03-05-2050	504,000	461	430
Province of Manitoba 3.80% 09-05-2053	125,000	113	119
Province of Manitoba 5.70% 03-05-2037	40,000	44	47
Province of New Brunswick 2.35% 08-14-2027	250,000	237	239
Province of Nova Scotia 4.50% 06-01-2037	75,000	83	79
Province of Ontario 3.65% 06-02-2033	18,316,000	17,723	18,143
Province of Ontario 4.05% 02-02-2032	596,000	595	612
Province of Ontario 4.15% 12-02-2054	5,555,000	5,407	5,788
Province of Quebec 3.60% 09-01-2033	5,661,000	5,560	5,591
Province of Quebec 3.65% 05-20-2032	42,000	42	42

Income Opportunity Fund (LLIM) SF354

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or Par Value	Average Cost	Fair Value
Canadian Bonds (continued)			
Provincial Government (continued)			
Province of Quebec 3.90% 11-22-2032	130,000	128	132
Province of Quebec 4.40% 12-01-2055	5,230,000	5,247	5,708
Province of Saskatchewan 2.15% 06-02-2031	270,000	270	244
Province of Saskatchewan 2.80% 12-02-2052	51,000	52	41
Province of Saskatchewan 3.10% 06-02-2050	320,000	326	273
Total Provincial Government		41,287	42,385
Municipal Government			
Municipal Finance Authority of British Columbia 2.95% 10-14-2024	260,000	280	256
Total Municipal Government		280	256
Corporate - Non-convertible			
407 International Inc. 1.80% 05-22-2025	63,000	59	61
407 International Inc. 3.14% 03-06-2030	200,000	187	191
407 International Inc. 3.43% 06-01-2033	314,000	280	296
407 International Inc. 3.60% 05-21-2047	104,000	80	91
407 International Inc. 3.67% 03-08-2049	140,000	118	124
407 International Inc. 4.19% 04-25-2042	195,000	195	188
407 International Inc. 4.22% 02-14-2028	156,000	153	156
407 International Inc. 4.86% 07-31-2053	37,000	37	40
407 International Inc. 6.47% 07-27-2029	99,000	137	110
Aeroports de Montreal 3.03% 04-21-2050	13,000	10	10
Aeroports de Montreal 3.36% 04-24-2047	225,000	210	193
Aeroports de Montreal 3.918% 06-12-2045	11,000	10	10
Aeroports de Montreal 6.55% 10-11-2033	7,000	8	8
AIMCo Realty Investors LP 2.195% 11-04-2026	49,000	47	46
AIMCo Realty Investors LP 2.712% 06-01-2029	116,000	103	106
Algonquin Power & Utilities Corp. 4.09% 02-17-2027	313,000	301	306
Algonquin Power & Utilities Corp. 4.60% 01-29-2029	58,000	56	58
Algonquin Power & Utilities Corp. 5.25% 01-18-2082	80,000	64	67
Algonquin Power Co. 2.85% 07-15-2031	380,000	320	332
Alimentation Couche-Tard 5.592% 09-25-2030	211,000	211	225
Alimentation Couche-Tard Inc. 2.95% 01-25-2030 144A	50,000	56	59
AltaGas Ltd. 2.166% 03-16-2027	126,000	114	117
AltaGas Ltd. 4.638% 05-15-2026	16,000	16	16

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Canadian Bonds (continued)			
Corporate - Non-convertible (continued)			
AltaGas Ltd. 5.25% 01-11-2082	58,000	48	49
AltaGas Ltd. 7.35% 08-17-2082	12,000	12	12
AltaGas Ltd. 8.90% 11-10-2083	57,000	57	60
AltaLink LP 1.509% 09-11-2030	32,000	25	27
AltaLink LP 3.99% 06-30-2042	151,000	155	142
AltaLink LP 4.692% 11-28-2032	22,000	22	23
AltaLink LP 5.463% 10-11-2055	90,000	90	106
ARC Resources Ltd. 3.465% 03-10-2031	144,000	124	133
Athabasca Indigenous Midstream LP 6.069% 02-05-2042	6,872	7	7
Athene Global Funding 3.127% 03-10-2025	18,000	18	17
Bank of Montreal 2.70% 09-11-2024	1,790,000	1,744	1,761
Bank of Montreal 3.19% 03-01-2028	247,000	235	238
Bank of Montreal 4.30% 11-26-2025	150,000	138	142
Bank of Montreal 4.309% 06-01-2027	399,000	391	397
Bank of Montreal 4.537% 12-18-2028	207,000	207	208
Bank of Montreal 4.709% 12-07-2027	924,000	930	932
Bank of Montreal 6.034% 09-07-2033	476,000	473	497
Bank of Montreal 6.534% 10-27-2032	519,000	544	547
Bank of Montreal 7.325% 11-26-2082	314,000	314	313
Baytex Energy Corp. 8.50% 04-30-2030 144A	39,000	55	53
BCI QuadReal Realty 1.056% 03-12-2024	115,000	110	114
BCI QuadReal Realty 1.073% 02-04-2026	22,000	22	21
BCI QuadReal Realty 2.551% 06-24-2026	108,000	100	103
Bell Canada 2.20% 05-29-2028	329,000	292	302
Bell Canada 3.00% 03-17-2031	43,000	38	39
Bell Canada 5.15% 11-14-2028	82,000	82	85
Bell Canada 5.25% 03-15-2029	136,000	136	142
Bell Canada Inc. 4.45% 02-27-2047	100,000	86	92
Bell Canada Inc. 5.85% 11-10-2032	23,000	23	25
BMW Canada Inc. 0.99% 01-14-2025	13,000	13	12
Brookfield Infrastructure Finance ULC 2.855% 09-01-2032	19,000	18	16
Brookfield Infrastructure Finance ULC 4.193% 09-11-2028	356,000	345	349
Brookfield Infrastructure Finance ULC 5.616% 11-14-2027	115,000	116	119
Brookfield Renewable Energy Partners LP 3.63% 01-15-2027	800,000	761	779
Brookfield Renewable Partners ULC 4.25% 01-15-2029	101,000	115	100
Bruce Power LP 4.00% 06-21-2030	152,000	146	148
Bruce Power LP 4.99% 12-21-2032	18,000	18	18

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Canadian Bonds (continued)			
Corporate - Non-convertible (continued)			
CAE Inc. 5.541% 06-12-2028	60,000	60	62
Calgary Airport Authority 3.554% 10-07-2051	14,000	12	12
Calgary Airport Authority 3.554% 10-07-2053	15,000	12	13
Canadian Core Real Estate 3.299% 03-02-2027	38,000	36	36
Canadian Imperial Bank of Commerce 1.10% 01-19-2026	143,000	143	134
Canadian Imperial Bank of Commerce 1.96% 04-21-2031	409,000	371	382
Canadian Imperial Bank of Commerce 4.20% 04-07-2032	100,000	96	98
Canadian Imperial Bank of Commerce 4.375% 10-28-2025	50,000	46	47
Canadian Imperial Bank of Commerce 4.95% 06-29-2027	309,000	313	313
Canadian Imperial Bank of Commerce 5.00% 12-07-2026	201,000	201	204
Canadian Imperial Bank of Commerce 5.05% 10-07-2027	26,000	26	26
Canadian Imperial Bank of Commerce 5.33% 01-20-2033	125,000	124	126
Canadian Imperial Bank of Commerce 5.35% 04-20-2033	59,000	59	60
Canadian Imperial Bank of Commerce 5.935% 07-14-2026	106,000	106	107
Canadian Imperial Bank of Commerce 7.15% 07-28-2082	40,000	40	40
Canadian National Railway Co. 3.00% 02-08-2029	31,000	29	30
Canadian National Railway Co. 4.40% 05-10-2033	65,000	65	66
Canadian Pacific Railway Ltd. 2.54% 02-28-2028	331,000	302	310
Canadian Pacific Railway Ltd. 3.15% 03-13-2029	129,000	117	123
Canadian Utilities Ltd. 4.851% 06-03-2052	41,000	39	43
Canadian Western Bank 1.926% 04-16-2026	149,000	137	140
Canadian Western Bank 2.597% 09-06-2024	168,000	159	165
Canadian Western Bank 3.859% 04-21-2025	100,000	98	98
Canadian Western Bank 5.00% 07-31-2081	34,000	27	26
Canadian Western Bank 5.146% 09-02-2027	254,000	254	258
Canadian Western Bank 5.261% 12-20-2025	50,000	50	50
Canadian Western Bank 5.937% 12-22-2032	21,000	21	21
Capital Power Corp. 4.284% 09-18-2024	111,000	114	110
Capital Power Corp. 4.986% 01-23-2026	144,000	143	144
Capital Power Corp. 5.816% 09-15-2028	76,000	76	79
Capital Power Corp. 5.973% 01-25-2034	86,000	86	90
Cascades Inc./Cascades USA Inc. 5.125% 01-15-2025	9,000	9	9
CCL Industries Inc. 3.864% 04-13-2028	48,000	45	46
CDP Financial Inc. 1.50% 10-19-2026	182,000	173	171
Cenovus Energy Inc. 3.50% 02-07-2028	231,000	220	223
Cenovus Energy Inc. 3.60% 03-10-2027	30,000	29	29
Central 1 Credit Union 5.877% 11-10-2026	66,000	66	68

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Canadian Bonds (continued)			
Corporate - Non-convertible (continued)			
Choice Properties REIT 2.456% 11-30-2026	51,000	46	48
Choice Properties REIT 2.848% 05-21-2027	31,000	30	29
Choice Properties REIT 3.532% 06-11-2029	290,000	265	274
Choice Properties REIT 5.40% 03-01-2033	373,000	372	382
Choice Properties REIT 5.699% 02-28-2034	153,000	152	160
Choice Properties REIT 6.003% 06-24-2032	23,000	24	25
Coast Capital Savings Federal Credit Union 8.875% 05-02-2033	122,000	122	124
Cogeco Communications Inc. 2.991% 09-22-2031	188,000	163	164
Cogeco Communications Inc. 5.299% 02-16-2033	23,000	23	23
Comber Wind Financial Corp. 5.132% 11-15-2030	39,465	39	39
Corus Entertainment Inc. 5.00% 05-11-2028	32,000	25	22
CPPIB Capital Inc. 3.00% 06-15-2028	150,000	153	147
Crombie REIT 2.686% 03-31-2028	197,000	178	179
Crombie REIT 3.133% 08-12-2031	7,000	7	6
Crombie REIT 3.211% 10-09-2030	47,000	39	41
Crombie REIT 3.917% 06-21-2027	12,000	11	12
CU Inc. 2.963% 09-07-2049	23,000	18	18
CU Inc. 4.085% 09-02-2044	141,000	132	133
CU Inc. 4.773% 09-14-2052	52,000	51	55
CU Inc. 5.088% 09-20-2053	92,000	92	102
CU Inc. 5.556% 10-30-2037	195,000	229	215
Dollarama Inc. 5.084% 10-27-2025	120,000	120	121
Dollarama Inc. 5.533% 09-26-2028	100,000	100	105
Dream Industrial REIT 1.662% 12-22-2025	184,000	168	173
Dream Industrial REIT 2.057% 06-17-2027	145,000	129	132
Dream Industrial REIT 2.539% 12-07-2026	55,000	50	52
Dream Industrial REIT 5.383% 03-22-2028	25,000	25	25
Dream Industrial REIT 5.383% 03-22-2028	62,000	62	63
Emera Inc. 4.838% 05-02-2030	166,000	157	167
Enbridge Gas Inc. 2.35% 09-15-2031	46,000	39	40
Enbridge Gas Inc. 2.37% 08-09-2029	11,000	9	10
Enbridge Gas Inc. 3.01% 08-09-2049	30,000	23	23
Enbridge Gas Inc. 3.20% 09-15-2051	108,000	88	85
Enbridge Gas Inc. 4.55% 08-17-2052	237,000	225	236
Enbridge Gas Inc. 5.70% 10-06-2033	65,000	65	72
Enbridge Inc. 3.10% 09-21-2033	246,000	208	213
Enbridge Inc. 4.90% 05-26-2028	85,000	85	86

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Canadian Bonds (continued)			
Corporate - Non-convertible (continued)			
Enbridge Inc. 5.375% 09-27-2077	1,585,000	1,495	1,494
Enbridge Inc. 6.625% 04-12-2078	361,000	370	356
Enbridge Inc. 8.495% 01-15-2084	31,000	32	33
Enbridge Inc. 8.747% 01-15-2084	157,000	160	169
Enbridge Pipelines Inc. 4.33% 02-22-2049	84,000	73	74
Enbridge Pipelines Inc. 4.55% 09-29-2045	21,000	19	19
Enbridge Pipelines Inc. 5.33% 04-06-2040	160,000	180	161
Enbridge Pipelines Inc. 5.82% 08-17-2053	18,000	19	20
Energir Inc. 2.10% 04-16-2027	33,000	33	31
Energir LP 4.67% 09-27-2032	27,000	27	28
EPCOR Utilities Inc. 3.106% 07-08-2049	158,000	119	126
EPCOR Utilities Inc. 3.554% 11-27-2047	60,000	51	52
EPCOR Utilities Inc. 4.725% 09-02-2052	40,000	39	42
EPCOR Utilities Inc. 5.326% 10-03-2053	200,000	207	230
Equitable Bank 1.876% 11-26-2025	3,000	3	3
Equitable Bank 3.362% 03-02-2026	126,000	118	121
Fairfax Financial Holdings Ltd. 3.95% 03-03-2031	152,000	137	143
Federation des Caisses Desjardins du Quebec 1.093% 01-21-2026	50,000	50	47
Federation des Caisses Desjardins du Quebec 1.587% 09-10-2026	120,000	108	112
Federation des Caisses Desjardins du Quebec 4.407% 05-19-2027	326,000	321	325
Federation des Caisses Desjardins du Quebec 5.035% 08-23-2032	194,000	190	194
Federation des Caisses Desjardins du Quebec 5.20% 10-01-2025	74,000	74	75
Federation des Caisses Desjardins du Quebec 5.467% 11-17-2028	122,000	122	127
Federation des Caisses Desjardins du Quebec 5.475% 08-16-2028	48,000	48	50
Finning International Inc. 4.445% 05-16-2028	54,000	54	54
First Capital REIT 3.447% 03-01-2028	42,000	37	39
First West Credit Union 9.186% 08-09-2033	65,000	65	69
Ford Credit Canada Co. 2.961% 09-16-2026	42,000	37	40
Ford Credit Canada Co. 6.326% 11-10-2026	78,000	78	80
Ford Credit Canada Co. 6.777% 09-15-2025	124,000	125	127
Ford Credit Canada Co. 7.00% 02-10-2026	181,000	183	186
Ford Credit Canada Co. 7.375% 05-12-2026	97,000	97	101
Fortis Inc. 4.431% 05-31-2029	223,000	220	223
Fortis Inc. 5.677% 11-08-2033	117,000	117	127
General Motors Financial of Canada Ltd. 5.20% 02-09-2028	36,000	36	36
GFL Environmental Inc. 3.50% 09-01-2028 144A	179,000	213	219
GFL Environmental Inc. 3.75% 08-01-2025 144A	70,000	91	91

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Canadian Bonds (continued)			
Corporate - Non-convertible (continued)			
GFL Environmental Inc. 6.75% 01-15-2031 144A	67,000	91	92
Gibson Energy Inc. 5.25% 12-22-2030	33,000	28	28
Gibson Energy Inc. 5.75% 07-12-2033	87,000	87	92
Gibson Energy Inc. 8.70% 07-12-2083	33,000	33	34
Granite REIT Holdings LP 2.194% 08-30-2028	178,000	157	159
Granite REIT Holdings LP 2.378% 12-18-2030	10,000	8	9
Granite REIT Holdings LP 3.062% 06-04-2027	34,000	32	32
Greater Toronto Airports Authority 1.54% 05-03-2028	82,000	72	75
Greater Toronto Airports Authority 2.75% 10-17-2039	350,000	259	286
Greater Toronto Airports Authority 5.30% 02-25-2041	175,000	200	195
Greater Toronto Airports Authority 6.47% 02-02-2034	277,000	354	324
Greater Toronto Airports Authority 7.05% 06-12-2030	42,000	48	48
Greater Toronto Airports Authority 7.10% 06-04-2031	42,000	49	49
H&R REIT 3.369% 01-30-2024	200,000	194	200
H&R REIT 4.071% 06-16-2025	56,000	60	55
Home Trust Co. 5.317% 06-13-2024	21,000	21	21
Honda Canada Finance Inc. 5.73% 09-28-2028	66,000	66	70
Hydro One Inc. 2.23% 09-17-2031	129,000	110	114
Hydro One Inc. 4.16% 01-27-2033	28,000	28	28
Hydro One Inc. 4.59% 10-09-2043	114,000	106	116
Hydro One Inc. 4.85% 11-30-2054	130,000	130	140
Hydro One Inc. 4.89% 03-13-2037	158,000	157	164
Hydro One Inc. 4.91% 01-27-2028	57,000	57	59
Hydro One Inc. 6.93% 06-01-2032	56,000	65	66
Hydro One Inc. 7.35% 06-03-2030	183,000	211	214
Hydro One Ltd. 1.41% 10-15-2027	113,000	98	103
iA Financial Corp. Inc. 5.685% 06-20-2033	50,000	50	51
Intact Financial Corp. 4.125% 03-31-2081	7,000	7	6
Intact Financial Corp. 5.459% 09-22-2032	16,000	21	21
Inter Pipeline Ltd. 3.484% 12-16-2026	192,000	183	185
Inter Pipeline Ltd. 3.983% 11-25-2031	200,000	176	182
Inter Pipeline Ltd. 4.232% 06-01-2027	538,000	519	529
Inter Pipeline Ltd. 5.71% 05-29-2030	33,000	33	34
Inter Pipeline Ltd. 5.76% 02-17-2028	59,000	59	61
Inter Pipeline Ltd. 6.875% 03-26-2079	33,000	32	32
John Deere Financial Inc. 5.17% 09-15-2028	8,000	8	8
Keyera Corp. 3.959% 05-29-2030	316,000	297	301

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Canadian Bonds (continued)			
Corporate - Non-convertible (continued)			
Keyera Corp. 5.95% 03-10-2081	89,000	78	79
Keyera Corp. 6.875% 06-13-2029	42,000	40	41
Laurentian Bank of Canada 1.15% 06-03-2024	74,000	71	73
Laurentian Bank of Canada 4.60% 09-02-2025	160,000	158	158
Laurentian Bank of Canada 5.095% 06-15-2032	160,000	152	152
Liberty Utilities (Canada) LP 3.315% 02-14-2050	18,000	12	14
Loblaw Companies Ltd. 2.284% 05-07-2030	27,000	22	24
Loblaw Companies Ltd. 5.336% 09-13-2052	26,000	26	28
Lower Mattagami Energy LP 2.433% 05-14-2031	53,000	50	47
Lower Mattagami Energy LP 3.42% 06-20-2024	50,000	50	50
Lower Mattagami Energy LP 4.854% 10-31-2033	25,000	25	26
Magna International Inc. 4.95% 01-31-2031	57,000	57	59
Manulife Bank of Canada 1.536% 09-14-2026	166,000	151	155
Manulife Bank of Canada 2.864% 02-16-2027	143,000	135	137
Manulife Financial Corp. 3.049% 08-20-2029	200,000	193	197
Manulife Financial Corp. 5.409% 03-10-2033	148,000	147	151
Manulife Financial Corp. 7.117% 06-19-2082	177,000	173	177
MEG Energy Corp. 5.875% 02-01-2029 144A	39,000	51	50
Metro Inc. 4.657% 02-07-2033	26,000	26	26
National Bank of Canada 1.534% 06-15-2026	83,000	76	78
National Bank of Canada 1.573% 08-18-2026	50,000	46	48
National Bank of Canada 2.545% 07-12-2024	160,000	154	158
National Bank of Canada 4.05% 08-15-2081	102,000	80	79
National Bank of Canada 4.968% 12-07-2026	195,000	195	198
National Bank of Canada 5.023% 02-01-2029	81,000	81	83
National Bank of Canada 5.219% 06-14-2028	154,000	154	159
National Bank of Canada 5.296% 11-03-2025	40,000	40	40
National Bank of Canada 5.426% 08-16-2032	214,000	212	216
NAV CANADA 2.063% 05-29-2030	30,000	30	27
North West Redwater Partnership 2.80% 06-01-2027	348,000	325	332
North West Redwater Partnership 3.20% 04-24-2026	200,000	200	195
North West Redwater Partnership 3.20% 07-22-2024	1,750,000	1,721	1,729
North West Redwater Partnership 3.65% 06-01-2035	108,000	93	99
North West Redwater Partnership 3.70% 02-23-2043	84,000	70	73
North West Redwater Partnership 4.15% 06-01-2033	257,000	232	250
North West Redwater Partnership 4.25% 06-01-2029	47,000	47	47
North West Redwater Partnership/NWR Financing Co. Ltd. 2.80% 06-01-2031	426,000	372	382

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	No. of Units, Shares or Par Value	Average Cost	Fair Value
Canadian Bonds (continued)			
Corporate - Non-convertible (continued)			
Nouvelle Autoroute 30 Financement Inc. 4.114% 03-31-2042	48,810	40	44
OMERS Finance Trust 1.55% 04-21-2027	310,000	279	289
OMERS Finance Trust 2.60% 05-14-2029	230,000	217	218
Ontario Power Generation Inc. 2.893% 04-08-2025	380,000	368	371
OPB Finance Trust 2.98% 01-25-2027	98,000	94	95
Parkland Corp. of Canada 3.875% 06-16-2026	238,000	220	228
Parkland Corp. of Canada 4.375% 03-26-2029	51,000	45	47
Parkland Corp. of Canada 6.00% 06-23-2028	147,000	142	147
Pembina Pipeline Corp. 4.02% 03-27-2028	430,000	408	421
Pembina Pipeline Corp. 4.74% 01-21-2047	6,000	7	5
Pembina Pipeline Corp. 4.80% 01-25-2031	120,000	99	102
Pembina Pipeline Corp. 4.81% 03-25-2044	201,000	194	186
Pembina Pipeline Corp. 5.72% 06-22-2026	71,000	71	71
Prime Structured Mortgage Trust 1.856% 11-15-2024	23,000	23	22
Prologis LP 5.25% 01-15-2031	36,000	35	37
PSP Capital Inc. 0.90% 06-15-2026	225,000	205	210
PSP Capital Inc. 2.60% 03-01-2032	270,000	254	249
PSP Capital Inc. 4.15% 06-01-2033	9,000	9	9
Reliance LP 2.67% 08-01-2028	295,000	260	267
Reliance LP 2.68% 12-01-2027	31,000	31	28
RioCan REIT 2.829% 11-08-2028	317,000	275	284
RioCan REIT 4.628% 05-01-2029	6,000	6	6
RioCan REIT 5.611% 10-06-2027	32,000	32	32
RioCan REIT 5.962% 10-01-2029	87,000	87	90
Rogers Communications Inc. 2.90% 12-09-2030	231,000	195	207
Rogers Communications Inc. 3.10% 04-15-2025	380,000	364	371
Rogers Communications Inc. 3.75% 04-15-2029	280,000	263	269
Rogers Communications Inc. 5.00% 12-17-2081	1,283,000	1,167	1,224
Rogers Communications Inc. 5.25% 03-15-2082 144A	199,000	255	254
Rogers Communications Inc. 5.70% 09-21-2028	184,000	184	193
Rogers Communications Inc. 6.75% 11-09-2039	21,000	21	24
Royal Bank of Canada 2.14% 11-03-2031	149,000	136	138
Royal Bank of Canada 2.328% 01-28-2027	318,000	289	300
Royal Bank of Canada 2.609% 11-01-2024	631,000	608	618
Royal Bank of Canada 2.74% 07-25-2029	141,000	144	139
Royal Bank of Canada 3.369% 09-29-2025	300,000	289	293
Royal Bank of Canada 4.612% 07-26-2027	352,000	349	354

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Canadian Bonds (continued)			
Corporate - Non-convertible (continued)			
Royal Bank of Canada 4.632% 05-01-2028	81,000	81	82
Royal Bank of Canada 4.642% 01-17-2028	209,000	207	211
Royal Bank of Canada 5.01% 02-01-2033	64,000	64	64
Royal Bank of Canada 5.235% 11-02-2026	77,000	77	79
Royal Bank of Canada 5.341% 06-23-2026	103,000	103	105
Sagen MI Canada Inc. 3.261% 03-05-2031	9,000	9	8
Sagen MI Canada Inc. 4.95% 03-24-2081	125,000	105	109
Saputo Inc. 5.492% 11-20-2030	111,000	111	117
Sea To Sky Highway Investment LP 2.629% 08-31-2030	48,895	44	44
Sienna Senior Living Inc. 2.82% 03-31-2027	8,000	8	7
Sienna Senior Living Inc. 3.45% 02-27-2026	24,000	22	23
South Coast British Columbia Transportation Authority 1.60% 07-03-2030	100,000	86	88
Spy Hill Power LP 4.14% 03-31-2036	34,033	32	33
Sun Life Financial Inc. 2.06% 10-01-2035	158,000	124	133
Sun Life Financial Inc. 2.38% 08-13-2029	1,648,000	1,597	1,617
Sun Life Financial Inc. 2.58% 05-10-2032	151,000	155	141
Sun Life Financial Inc. 2.80% 11-21-2033	158,000	142	145
Sun Life Financial Inc. 4.78% 08-10-2034	167,000	165	167
Sun Life Financial Inc. 5.50% 07-04-2035	63,000	63	65
Suncor Energy Inc. 3.95% 03-04-2051	156,000	126	130
Suncor Energy Inc. 5.40% 11-17-2026	154,000	154	158
TELUS Corp. 2.05% 10-07-2030	31,000	27	27
TELUS Corp. 2.85% 11-13-2031	60,000	50	53
TELUS Corp. 3.15% 02-19-2030	206,000	188	191
TELUS Corp. 3.30% 05-02-2029	107,000	104	101
TELUS Corp. 4.70% 03-06-2048	134,000	109	125
TELUS Corp. 4.95% 03-28-2033	37,000	37	37
Teranet Holdings LP 3.719% 02-23-2029	254,000	237	237
The 55 School Board Trust 5.90% 06-02-2033	55,000	63	63
The Bank of Nova Scotia 2.95% 03-08-2027	63,000	59	60
The Bank of Nova Scotia 3.934% 05-03-2032	149,000	142	144
The Bank of Nova Scotia 5.50% 05-08-2026	496,000	496	506
The Bank of Nova Scotia 5.50% 12-29-2025	190,000	190	193
The Bank of Nova Scotia 5.679% 08-02-2033	58,000	58	60
The Bank of Nova Scotia 7.023% 07-27-2082	273,000	269	270
The Empire Life Insurance Co. 3.625% 04-17-2026	72,000	60	56
The Empire Life Insurance Co. 5.503% 01-13-2033	26,000	26	26

Income Opportunity Fund (LLIM) SF354

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or Par Value	Average Cost	Fair Value
Canadian Bonds (continued)			
Corporate - Non-convertible (continued)			
The Independent Order of Foresters 2.885% 10-15-2035	22,000	22	19
The Toronto-Dominion Bank 2.26% 01-07-2027	143,000	132	135
The Toronto-Dominion Bank 2.667% 09-09-2025	707,000	673	684
The Toronto-Dominion Bank 3.06% 01-26-2032	98,000	88	93
The Toronto-Dominion Bank 3.105% 04-22-2030	293,000	279	285
The Toronto-Dominion Bank 3.224% 07-25-2029	249,000	241	246
The Toronto-Dominion Bank 4.21% 06-01-2027	328,000	319	326
The Toronto-Dominion Bank 4.34% 01-27-2026	357,000	351	356
The Toronto-Dominion Bank 4.477% 01-18-2028	157,000	156	157
The Toronto-Dominion Bank 4.68% 01-08-2029	62,000	62	63
The Toronto-Dominion Bank 5.376% 10-21-2027	44,000	44	45
The Toronto-Dominion Bank 5.423% 07-10-2026	89,000	89	91
The Toronto-Dominion Bank 5.491% 09-08-2028	159,000	159	166
TMX Group Ltd. 2.016% 02-12-2031	14,000	14	12
TMX Group Ltd. 2.997% 12-11-2024	220,000	214	216
TMX Group Ltd. 3.779% 06-05-2028	30,000	28	29
Toronto Hydro Corp. 4.61% 06-14-2033	104,000	104	107
Toronto Hydro Corp. 4.95% 10-13-2052	73,000	75	80
Tourmaline Oil Corp. 2.529% 02-12-2029	102,000	91	93
Toyota Credit Canada Inc. 4.45% 01-26-2026	96,000	95	96
TransCanada PipeLines Ltd. 3.80% 04-05-2027	416,000	417	408
TransCanada PipeLines Ltd. 4.34% 10-15-2049	142,000	120	123
TransCanada PipeLines Ltd. 5.277% 07-15-2030	222,000	222	229
TransCanada PipeLines Ltd. Floating Rate 05-18-2077	851,000	776	778
TransCanada Trust 4.20% 03-04-2081	290,000	233	239
TransCanada Trust 5.30% 03-15-2077	17,000	20	20
Transcontinental Inc. 2.667% 02-03-2025	9,000	8	9
Vancouver Airport Authority 1.76% 09-20-2030	26,000	22	23
Ventas Canada Finance Ltd. 5.398% 04-21-2028	82,000	82	84
Vermilion Energy Inc. 6.875% 05-01-2030 144A	14,000	18	18
Videotron Ltd. 3.125% 01-15-2031	476,000	376	408
Videotron Ltd. 4.50% 01-15-2030	142,000	125	134
Videotron Ltd./Videotron Ltee. 3.625% 06-15-2028	122,000	107	114
Waste Management of Canada Corp. 2.60% 09-23-2026	70,000	70	67
WSP Global Inc. 2.408% 04-19-2028	197,000	181	182
Total Corporate - Non-convertible		52,877	53,794

Income Opportunity Fund (LLIM) SF354

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or <u>Par Value</u>	Average <u>Cost</u>	Fair <u>Value</u>
Canadian Bonds (continued)			
Mortgage Backed			
First National Financial Corp. 3.84% 11-01-2028	861,000	832	855
Total Mortgage Backed		832	855
Total Canadian Bonds		107,271	109,654
United States Bonds			
Federal Government			
United States Treasury Inflation Index 0.125% 02-15-2051 Real Return	738,000	764	719
United States Treasury Inflation Index 0.125% 02-15-2052 Real Return	1,081,000	1,149	976
United States Treasury Inflation Index 0.50% 04-15-2024 Real Return	1,755,000	2,789	2,802
United States Treasury Inflation Index 1.50% 02-15-2053 Real Return	777,000	1,009	970
Total Federal Government		5,711	5,467
Corporate - Non-convertible			
Air Lease Corp. 5.40% 06-01-2028	96,000	95	98
Amazon.com Inc. 3.95% 04-13-2052	12,000	15	14
Amazon.com Inc. 4.70% 12-01-2032	81,000	110	110
American Tower Corp. REIT 1.875% 10-15-2030	70,000	75	76
Athene Global Funding 2.47% 06-09-2028	8,000	7	7
Bank of America Corp. 1.978% 09-15-2027	148,000	134	138
Bank of America Corp. 2.598% 04-04-2029	123,000	110	113
Bank of America Corp. 3.615% 03-16-2028	444,000	419	431
Broadcom Inc. 4.11% 09-15-2028	89,000	114	115
CCO Holdings LLC 4.50% 05-01-2032	102,000	109	116
Charter Communications Operating LLC 2.80% 04-01-2031	60,000	64	67
Charter Communications Operating LLC 5.05% 03-30-2029	310,000	391	407
Charter Communications Operating LLC/Charter Communications Operating Capital Corp. 2.30% 02-01-2032	100,000	102	106
Glencore Funding LLC 5.40% 05-08-2028	14,000	19	19
Gray Escrow II Inc. 5.375% 11-15-2031 144A	70,000	63	70
JPMorgan Chase & Co. 1.896% 03-05-2028	240,000	213	222
Micron Technology Inc. 5.375% 04-15-2028	88,000	118	119
Mozart Debt Merger Sub Inc. 3.875% 04-01-2029 144A	60,000	70	72
Mozart Debt Merger Sub Inc. 5.25% 10-01-2029 144A	90,000	105	113
Nestle Holdings Inc. 2.192% 01-26-2029	23,000	23	21

Income Opportunity Fund (LLIM) SF354

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or Par Value	Average Cost	Fair Value
United States Bonds (continued)			
Corporate - Non-convertible (continued)			
NextEra Energy Capital Holdings Inc. 1.90% 06-15-2028	16,000	19	19
NextEra Energy Capital Holdings Inc. 2.25% 06-01-2030	60,000	66	68
Pearl Merger Sub Inc. 6.75% 10-01-2028 144A	50,000	59	60
Pfizer Investment Enterprises Pte. Ltd. 4.65% 05-19-2030	288,000	387	385
Pfizer Investment Enterprises Pte. Ltd. 4.75% 05-19-2033	88,000	118	117
Silgan Holdings Inc. 4.125% 02-01-2028	11,000	14	14
Tenet Healthcare Corp. 4.375% 01-15-2030 144A	13,000	15	16
The Clorox Co. 1.80% 05-15-2030	50,000	53	55
The Goldman Sachs Group Inc. 2.013% 02-28-2028	73,000	61	66
The Goldman Sachs Group Inc. 2.599% 11-30-2027	149,000	140	140
The Goldman Sachs Group Inc. 3.307% 10-31-2025	90,000	87	88
The Walt Disney Co. 3.057% 03-30-2027	171,000	181	165
T-Mobile USA Inc. 2.25% 11-15-2031	30,000	32	33
T-Mobile USA Inc. 2.55% 02-15-2031	50,000	56	57
T-Mobile USA Inc. 3.75% 04-15-2027	378,000	476	486
T-Mobile USA Inc. 4.95% 03-15-2028	100,000	134	135
T-Mobile USA Inc. 5.20% 01-15-2033	111,000	147	151
Ventas Realty LP 4.00% 03-01-2028	40,000	50	51
Verizon Communications Inc. 2.375% 03-22-2028	355,000	322	328
Wells Fargo & Co. 2.568% 05-01-2025	229,000	213	221
Wells Fargo & Co. 2.975% 05-19-2026	306,000	285	295
Zoetis Inc. 2.00% 05-15-2030	111,000	122	127
Total Corporate - Non-convertible		5,393	5,511
Total United States Bonds		11,104	10,978
Global Bonds			
Australia			
Transurban Finance Co. Pty Ltd. 4.555% 11-14-2028	186,000	182	185
Austria			
Suzano Austria GmbH 2.50% 09-15-2028	136,000	157	158
Bahamas			
Commonwealth of Bahamas 8.95% 10-15-2032	98,000	118	122

Income Opportunity Fund (LLIM) SF354

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or Par Value	Average Cost	Fair Value
Global Bonds (continued)			
Ireland			
AerCap Ireland Capital DAC/AerCap Global Aviation Trust 3.00% 10-29-2028	91,000	106	110
Jersey			
Heathrow Funding Ltd. 2.694% 10-13-2027	69,000	64	65
Heathrow Funding Ltd. 3.25% 05-21-2025	190,000	182	186
Heathrow Funding Ltd. 3.40% 03-08-2028	340,000	315	325
Heathrow Funding Ltd. 3.726% 04-13-2033	127,000	115	115
Heathrow Funding Ltd. 3.782% 09-04-2030	383,000	348	362
Netherlands			
NXP BV/NXP Funding LLC/NXP USA Inc. 2.65% 02-15-2032	8,000	10	9
United Kingdom			
Anglian Water Services Financing PLC 4.525% 08-26-2032	23,000	23	22
BP Capital Markets PLC 3.47% 05-15-2025	60,000	59	59
Total Global Bonds		1,679	1,718
Total Bonds		120,054	122,350
Canadian Common Stock			
Communication Services			
Cogeco Communications Inc. sub. voting	2,009	131	119
Rogers Communications Inc. Class B non-voting	5,320	301	330
TELUS Corp.	36,718	930	866
TELUS International Inc.	10,080	255	115
Consumer Discretionary			
Dollarama Inc.	2,512	216	240
Magna International Inc.	4,245	316	332
Restaurant Brands International Inc.	4,340	365	449
Consumer Staples			
Alimentation Couche-Tard Inc.	5,994	351	468
Loblaw Companies Ltd.	7,259	839	931

Income Opportunity Fund (LLIM) SF354

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or Par Value	Average Cost	Fair Value
Canadian Common Stock (continued)			
Energy			
AltaGas Ltd.	514	13	14
ARC Resources Ltd.	4,112	76	81
Canadian Natural Resources Ltd.	14,290	1,052	1,241
Enbridge Inc.	17,347	861	827
Pembina Pipeline Corp.	10,454	457	477
Pembina Pipeline Corp. Subscription Receipt	814	35	37
Suncor Energy Inc.	18,237	747	774
TC Energy Corp.	17,724	994	917
Tourmaline Oil Corp.	4,748	282	283
Exchange Traded Funds			
iShares S&P/TSX 60 Index Fund ETF	12,484	383	400
iShares S&P/TSX Global Gold Index ETF	14,425	235	257
Mackenzie Canadian Aggregate Bond Index ETF *	18,500	1,693	1,722
Mackenzie Canadian All Corporate Bond Index ETF *	8,780	794	820
Mackenzie US High Yield Bond Hedged to CAD Index ETF *	28,744	2,374	2,461
Financials			
Bank of Montreal	12,865	1,490	1,686
Brookfield Asset Management Inc. Class A	5,141	221	274
Brookfield Corp.	7,969	369	424
Intact Financial Corp.	4,093	799	834
Manulife Financial Corp.	20,293	472	594
Royal Bank of Canada	14,874	1,758	1,992
Sun Life Financial Inc.	13,552	795	931
The Bank of Nova Scotia	10,459	699	675
The Toronto-Dominion Bank	16,269	1,310	1,393
Thomson Reuters Corp.	1,162	180	225
Industrials			
CAE Inc.	10,589	281	303
Canadian National Railway Co.	5,899	868	982
Canadian Pacific Kansas City Ltd.	10,731	1,069	1,125
Finning International Inc.	6,297	206	241
Toromont Industries Ltd.	1,970	215	229

*The issuer of this security is a related company to the issuer of the Fund.

Income Opportunity Fund (LLIM) SF354

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or Par Value	Average Cost	Fair Value
Canadian Common Stock (continued)			
Information Technology			
CGI Group Inc. Class A sub. voting	3,416	396	485
Open Text Corp.	8,675	374	483
Materials			
Agnico Eagle Mines Ltd.	8,849	581	643
Barrick Gold Corp.	21,522	499	515
CCL Industries Inc. Class B non-voting	9,511	594	567
Franco-Nevada Corp.	475	87	70
Nutrien Ltd.	7,590	685	567
Teck Resources Ltd. Class B	4,465	228	250
Real Estate			
Canadian Apartment Properties REIT	1,917	88	94
Choice Properties REIT	14,647	194	204
Granite REIT Holdings LP	2,053	157	157
Utilities			
Boralex Inc. Class A	2,822	103	95
Emera Inc.	10,045	512	505
Fortis Inc.	3,597	192	196
Northland Power Inc.	14,838	440	357
Total Canadian Common Stock		29,562	31,257
United States Common Stock			
Communication Services			
Alphabet Inc. Class A	3,240	468	600
Meta Platforms Inc.	736	309	345
Consumer Discretionary			
Amazon.com Inc.	3,027	453	609
AutoZone Inc.	53	190	182
McDonald's Corp.	758	269	298
Starbucks Corp.	922	116	117
Consumer Staples			
Altria Group Inc.	6,906	425	369

Income Opportunity Fund (LLIM) SF354

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or Par Value	Average Cost	Fair Value
United States Common Stock (continued)			
Consumer Staples (continued)			
Colgate Palmolive Co.	1,965	200	208
PepsiCo Inc.	649	157	146
Philip Morris International Inc.	3,536	447	441
The Coca-Cola Co.	4,217	340	329
Energy			
Chevron Corp.	2,202	509	435
ConocoPhillips	1,575	222	242
Schlumberger Ltd.	2,454	175	169
The Williams Companies Inc.	6,449	276	298
Exchange Traded Funds			
iShares MSCI EAFE Index Fund	10,392	1,029	1,038
SPDR S&P 500 ETF Trust	2,470	1,539	1,556
Financials			
CME Group Inc.	1,622	399	453
JPMorgan Chase & Co.	2,865	520	646
Moody's Corp.	235	90	122
S&P Global Inc.	634	288	370
Health Care			
AbbVie Inc.	1,966	399	404
Becton, Dickinson and Co.	866	281	280
Johnson & Johnson Inc.	2,180	487	453
McKesson Corp.	483	250	296
Merck & Co. Inc.	980	140	142
Thermo Fisher Scientific Inc.	288	207	203
UnitedHealth Group Inc.	527	369	368
Industrials			
Equifax Inc.	486	120	159
Honeywell International Inc.	1,144	299	318
Northrop Grumman Corp.	345	225	214
Union Pacific Corp.	997	267	324

Income Opportunity Fund (LLIM) SF354

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or Par Value	Average Cost	Fair Value
United States Common Stock (continued)			
Information Technology			
Analog Devices Inc.	691	154	182
Apple Inc.	2,080	444	531
Broadcom Inc.	431	337	637
Lam Research Corp.	316	230	328
Microsoft Corp.	2,448	878	1,220
Motorola Solutions Inc.	1,105	383	458
Oracle Corp.	1,215	186	170
Texas Instruments Inc.	597	132	135
Visa Inc. Class A	1,147	335	396
Materials			
The Sherwin-Williams Co.	365	112	151
Real Estate			
American Tower Corp. REIT Class A	496	111	142
Total United States Common Stock		14,767	16,484
Global Common Stock			
Bermuda			
Brookfield Infrastructure Partners LP Partnership Units	5,740	255	240
Denmark			
Novo Nordisk AS	2,929	264	401
France			
Air Liquide SA	1,046	208	269
LVMH Moet Hennessy Louis Vuitton SE	158	159	169
Pernod Ricard SA *	424	109	99
Safran SA	1,355	238	316
Thales SA	688	138	135
Veolia Environnement SA	2,379	101	99
Germany			
Deutsche Boerse AG	1,906	447	520

*The issuer of this security is a related company to the issuer of the Fund.

Income Opportunity Fund (LLIM) SF354

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or Par Value	Average Cost	Fair Value
Global Common Stock (continued)			
Germany (continued)			
Hannover Rueck SE	766	188	242
SAP SE	3,275	513	668
Siemens AG	998	226	248
Hong Kong			
AIA Group Ltd.	8,200	101	95
Hong Kong Exchanges and Clearing Ltd.	2,800	132	127
India			
HDFC Bank Ltd. ADR	1,969	167	175
Ireland			
Aon Corp.	934	376	360
CRH PLC	2,603	187	239
Linde PLC	463	198	251
Japan			
Hoya Corp.	800	112	132
ITOCHU Corp.	5,100	267	276
Japan Exchange Group Inc.	8,800	175	247
Keyence Corp.	291	160	170
Sony Group Corp.	2,370	248	299
Jersey			
Ferguson PLC	600	138	153
Glencore Xstrata PLC	53,672	396	428
Netherlands			
Heineken Holdings NV	1,562	165	175
Wolters Kluwer NV	1,165	177	219
Singapore			
DBS Group Holdings Ltd.	8,900	297	298
Spain			
Amadeus IT Group SA	3,360	263	319

Income Opportunity Fund (LLIM) SF354

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or <u>Par Value</u>	Average <u>Cost</u>	Fair <u>Value</u>
Global Common Stock (continued)			
Sweden			
Atlas Copco AB Class A	6,900	109	157
Switzerland			
Nestle SA	1,853	284	285
Roche Holding AG	1,032	434	397
Sika AG	319	108	137
Taiwan			
Taiwan Semiconductor Manufacturing Co. Ltd. ADR	2,233	224	308
United Kingdom			
AstraZeneca PLC	2,457	452	440
Diageo PLC	3,289	180	159
Haleon PLC	31,566	181	171
Shell PLC	10,481	412	455
Total Global Common Stock		8,789	9,878
Total Stocks		53,118	57,619

Income Opportunity Fund (LLIM) SF354

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, contracts, shares, par value or contract price)

As at December 31, 2023

Schedule of Derivative Contracts

Forward Currency Contracts

Contract Price	Settlement Date	Purchased Currency		Sold Currency		Unrealized Gain (Loss)
		Currency	Value as at December 31	Currency	Value as at December 31	
1.3596	January 11, 2024	Canadian Dollar	468	United States Dollar	459	9
1.3572	January 11, 2024	Canadian Dollar	114	United States Dollar	112	2
1.3463	January 18, 2024	Canadian Dollar	1,052	United States Dollar	1,040	12
1.3461	January 18, 2024	Canadian Dollar	802	United States Dollar	793	9
1.3488	January 24, 2024	Canadian Dollar	893	United States Dollar	881	12
1.3598	January 24, 2024	Canadian Dollar	495	United States Dollar	486	9
1.3692	January 25, 2024	Canadian Dollar	2,988	United States Dollar	2,914	74
1.3688	February 4, 2024	Canadian Dollar	1,142	United States Dollar	1,114	28
1.3364	February 4, 2024	Canadian Dollar	2,248	United States Dollar	2,233	15
1.3643	February 8, 2024	Canadian Dollar	3,090	United States Dollar	3,021	69
1.3487	February 8, 2024	Canadian Dollar	2,006	United States Dollar	1,979	27
1.3408	February 8, 2024	Canadian Dollar	1,971	United States Dollar	1,953	18
1.3395	February 8, 2024	Canadian Dollar	1,476	United States Dollar	1,463	13
1.3398	February 8, 2024	Canadian Dollar	497	United States Dollar	493	4
1.3824	February 15, 2024	Canadian Dollar	1,318	United States Dollar	1,276	42
1.3680	February 15, 2024	Canadian Dollar	553	United States Dollar	539	14
Derivatives - Assets						357
0.7312	January 11, 2024	United States Dollar	1,602	Canadian Dollar	1,653	(51)
0.7299	January 18, 2024	United States Dollar	318	Canadian Dollar	329	(11)
0.7340	January 24, 2024	United States Dollar	657	Canadian Dollar	676	(19)
0.7226	January 24, 2024	United States Dollar	560	Canadian Dollar	585	(25)
0.7344	February 8, 2024	United States Dollar	1,097	Canadian Dollar	1,127	(30)
0.7229	February 15, 2024	United States Dollar	55	Canadian Dollar	58	(3)
Derivatives - Liabilities						(139)
Total Forward Currency Contracts						218

Futures Contracts

No. of Contracts	Average Contract Price	Futures Contracts	Maturity Date	Notional Amount	Price as at December 31	Unrealized Gain (Loss)
(9)	CAD 145.33	JPN 10YR BOND (OSE) 03-31-2024	March 31, 2024	JPY 1,320,390	CAD 146.71	29
54	CAD 110.51	CAN 5YR BOND 03-31-2024	March 31, 2024	CAD 6,085	CAD 112.69	19
12	CAD 109.33	US 10YR NOTE 03-31-2024	March 31, 2024	USD 1,355	CAD 112.89	-
Derivatives - Assets						48
25	CAD 122.78	US ULTRA BOND 03-31-2024	March 31, 2024	USD 3,340	CAD 133.59	(18)
Derivatives - Liabilities						(18)
Total Futures Contracts						30

Total Derivative Instruments at Fair Value

248

Transaction Costs (note 2)

(12)

Total Investments

173,160

180,217

Income Opportunity Fund (LLIM) SF354

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

Introduction

The objective of the Income Opportunity Fund (LLIM) SF354 (the Fund) in managing risk is the creation and protection of contractholder value. Risk is inherent in the Fund's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. The process of risk management is critical to the Fund's continuing profitability. The Fund can be exposed to liquidity risk, market risk (which includes currency risk, interest rate risk and other price risk) and credit risk arising from the financial instruments it holds.

A. Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023, and groups the securities by asset type, geographic region and/or market segment. The following sections describe the significant risks that are relevant to the Fund.

To assist with managing risk, The Canada Life Assurance Company (Canada Life or the Company) maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and other regulations.

B. Liquidity Risk

Liquidity risk arises when a fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units by contractholders. The Fund retains sufficient cash and cash equivalent positions to maintain adequate liquidity to meet the obligation to fund daily cash redemptions of their redeemable units.

Some securities are illiquid due to legal restrictions on their resale, the nature of the investment, or simply a lack of interested buyers for a particular security or security type. Certain securities may become less liquid due to changes in market conditions, such as interest rate changes or market volatility, which could impair the ability of a fund to sell such securities quickly.

In accordance with the Fund's policy, the Company monitors the Fund's liquidity positions on a regular basis.

C. Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The classifications used on the Schedule of Investment Portfolio for the financial instruments are based on the country of issue.

Income Opportunity Fund (LLIM) SF354

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

C. Currency Risk (continued)

The table below indicates the foreign currencies to which the Fund had significant exposure as at December 31, 2023 in Canadian dollar terms, including the underlying principal amount of forward currency contracts, if any. The table also illustrates the potential impact to the Fund's net assets attributable to contractholders, all other variables held constant, as a result of a 1% change in these currencies relative to the Canadian dollar. In practice, the actual results may differ from this sensitivity analysis and the difference could be significant.

2023

Currency	Investments	Cash, Short-term Deposits and Overdrafts	Total*	Impact on Net Assets Attributable to Contractholders
United States Dollar	\$ 16,596	\$ 925	\$ 17,521	\$ 175
Euro	3,478	3	3,481	35
Other Currencies	4,674	(21)	4,653	47
Total	\$ 24,748	\$ 907	\$ 25,655	\$ 257
As Percent of Net Assets Attributable to Contractholders			13.4%	0.1%

*Includes both monetary and non-monetary instruments

2022

Currency	Investments	Cash, Short-term Deposits and Overdrafts	Total*	Impact on Net Assets Attributable to Contractholders
United States Dollar	\$ 9,721	\$ 779	\$ 10,500	\$ 105
Euro	1,414	(13)	1,401	14
United Kingdom Pound Sterling	722	—	722	7
Other Currencies	1,447	7	1,454	15
Total	\$ 13,304	\$ 773	\$ 14,077	\$ 141
As Percent of Net Assets Attributable to Contractholders			15.0%	0.2%

*Includes both monetary and non-monetary instruments

D. Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund is exposed to the risk that the value of interest-bearing financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. Due to the nature of short-term fixed income securities with a remaining term-to-maturity of less than one year, these investments are not generally exposed to a significant risk that their value will fluctuate in response to changes in the prevailing levels of market interest rates. The risk is professionally managed at the security and fund level by the Company.

Income Opportunity Fund (LLIM) SF354

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

D. Interest Rate Risk (continued)

The table below summarizes the Fund's exposure to interest rate risk by remaining term-to-maturity.

2023					
	1 year or less	Over 1 year to 5 years	Over 5 years to 10 years	Over 10 years	Total
Bonds	\$ 8,295	\$ 27,355	\$ 55,607	\$ 31,093	\$ 122,350

2022					
	1 year or less	Over 1 year to 5 years	Over 5 years to 10 years	Over 10 years	Total
Bonds	\$ 421	\$ 18,295	\$ 22,133	\$ 15,550	\$ 56,399

As at December 31, 2023, had prevailing interest rates increased or decreased by 1% assuming a parallel shift in the yield curve, with all other variables held constant, net assets attributable to contractholders would have decreased or increased, respectively, by approximately \$8,808 (\$4,263 at December 31, 2022) or approximately 4.6% (4.5% at December 31, 2022). The Fund's sensitivity to interest rate changes was estimated using the weighted average duration of the bond portfolio. In practice, the actual results may differ and the difference could be significant.

E. Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund's greatest concentration of credit risk is in debt securities, such as bonds. The fair value of debt instruments includes consideration of the creditworthiness of the debt issuer. The carrying amount of debt instruments represents the maximum credit risk exposure as at December 31, 2023. The amount of credit risk to any one issuer may be determined from the information reported in the Schedule of Investment Portfolio. The Fund may invest in short-term fixed income securities issued or guaranteed primarily by the Government of Canada or any Canadian provincial government, obligations of Canadian chartered banks or trust companies, and commercial paper with approved credit ratings. The risk of default on these short-term fixed income securities is considered low. The Company monitors credit risk and credit ratings on a regular basis. All new counterparties to financial instruments are subject to an approval process.

There was no change in fair values of financial liabilities as a result of changes in credit risks during 2023 or 2022.

All transactions in listed securities are settled and paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker.

Credit ratings disclosed below are obtained from independent rating agencies including DBRS, Standard & Poor's, Moody's Investors Service and Fitch Ratings. The lowest rating provided by the agencies is used.

Income Opportunity Fund (LLIM) SF354

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

E. Credit Risk (continued)

Debt securities by credit rating are as follows:

	2023		2022	
	Percent of Total Bonds (%)	Percent of Total Net Assets Attributable to Contractholders (%)	Percent of Total Bonds (%)	Percent of Total Net Assets Attributable to Contractholders (%)
AAA	1.8	1.2	6.0	3.6
AA	30.3	19.3	35.8	21.5
A	40.0	25.5	32.4	19.5
BBB	22.3	14.3	25.1	15.1
BB and lower	5.5	3.5	0.7	0.4
NR *	0.1	—	—	—
Total	100.0	63.8	100.0	60.1

*Bonds disclosed as NR are mortgage backed securities or privately placed bonds or bonds that have not been rated by a rating agency.

F. Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. The Fund Manager moderates this risk through careful selection of securities and other financial instruments within the parameters of the investment strategy. The maximum risk resulting from financial instruments is equivalent to their fair value.

For the Fund, the most significant exposure to other price risk arises from its investment in equity securities. As at December 31, 2023, had the prices on the respective stock exchanges for these securities increased or decreased by 1%, with all other variables held constant, assets would have increased (or decreased) by approximately \$576 (\$271 at December 31, 2022) or approximately 0.3% (0.3% at December 31, 2022) of total net assets attributable to contractholders. In practice, the actual results may differ and the difference could be significant.

Income Opportunity Fund (LLIM) SF354

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

G. Fair Value Classification

The following table presents information about the Fund's assets and liabilities measured at fair value on a recurring basis and indicates the fair value hierarchy of the valuation techniques utilized by the Fund to determine such fair value:

	2023			
	Assets and Liabilities Measured at Fair Value			
<u>Assets measured at fair value</u>	Level 1	Level 2	Level 3	Total
Bonds	\$ —	\$ 122,350	\$ —	\$ 122,350
Stocks	57,619	—	—	57,619
Derivatives	48	357	—	405
Total assets measured at fair value	\$ 57,667	\$ 122,707	\$ —	\$ 180,374
<u>Liabilities measured at fair value</u>				
Derivatives ⁽¹⁾	\$ 18	\$ 139	\$ —	\$ 157
Net assets attributable to contractholders measured at fair value	\$ 57,649	\$ 122,568	\$ —	\$ 180,217

⁽¹⁾ Excludes collateral pledged to counterparties of \$563.

	2022			
	Assets and Liabilities Measured at Fair Value			
<u>Assets measured at fair value</u>	Level 1	Level 2	Level 3	Total
Bonds	\$ —	\$ 56,399	\$ —	\$ 56,399
Stocks	27,101	—	—	27,101
Derivatives	25	—	—	25
Total assets measured at fair value	\$ 27,126	\$ 56,399	\$ —	\$ 83,525
<u>Liabilities measured at fair value</u>				
Derivatives ⁽¹⁾	\$ —	\$ —	\$ —	\$ —
Net assets attributable to contractholders measured at fair value	\$ 27,126	\$ 56,399	\$ —	\$ 83,525

⁽¹⁾ Excludes collateral pledged to counterparties of \$251.

There were no significant transfers between Level 1 and Level 2 during 2023 or 2022.

Income Opportunity Fund (LLIM) SF354

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Net Assets Attributable to Contractholders by Category

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
Generations/Mosaic	218,976	278,127	316,172	371,945	446,069	3,282	3,966	4,941	5,575	6,514
Generations I	223,688	256,364	334,509	385,889	438,840	3,521	3,819	5,431	5,976	6,584
Generations II	78,382	82,747	91,786	105,158	60,886	1,151	1,150	1,391	1,521	854
Generations Core	34,699	40,309	37,784	49,906	61,762	522	574	586	737	884
75/75 guarantee policy	1,309,859	648,640	274,797	345,602	422,954	19,241	9,011	4,159	4,986	5,909
75/100 guarantee policy	4,820,265	2,625,327	1,213,357	1,444,403	1,687,735	70,120	36,139	18,205	20,671	23,403
100/100 guarantee policy	97,487	99,288	87,951	103,893	113,762	1,400	1,350	1,305	1,471	1,561
PS1 75/75 guarantee policy	1,010,949	264,044	12,596	14,461	83,673	13,622	3,359	174	190	1,065
PS1 75/100 guarantee policy	3,851,236	1,427,145	257,893	253,102	398,807	51,570	18,050	3,549	3,316	5,054
PS1 100/100 guarantee policy	89,418	73,966	79,000	62,030	100,159	1,182	924	1,075	804	1,256
PS2 75/75 guarantee policy	86,398	20,421	—	14,210	16,781	1,468	321	—	222	249
PS2 75/100 guarantee policy	559,656	504,472	75,681	75,194	92,540	9,511	7,935	1,269	1,177	1,372
PS2 100/100 guarantee policy	8,205	—	—	—	—	139	—	—	—	—
PS 75/75 guarantee policy	149,634	75,433	16,396	16,492	16,564	1,729	815	191	181	174
PS 75/100 guarantee policy	501,982	213,857	5,737	5,802	6,240	5,782	2,306	67	64	66
PPS 75/75 guarantee policy	235,889	151,357	—	—	—	2,754	1,650	—	—	—
PPS 75/100 guarantee policy	373,145	230,505	1,597	1,615	1,634	4,341	2,505	19	18	17
PPS 100/100 guarantee policy	11,532	11,654	—	—	—	134	126	—	—	—

Net Assets Attributable to Contractholders Per Unit (note 6)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
Generations/Mosaic	14.99	14.26	15.63	14.99	14.60	0.73	(1.37)
Generations I	15.74	14.90	16.24	15.49	15.00	0.84	(1.34)
Generations II	14.68	13.90	15.16	14.47	14.03	0.78	(1.26)
Generations Core	15.05	14.23	15.50	14.78	14.31	0.82	(1.27)
75/75 guarantee policy	14.69	13.89	15.13	14.43	13.97	0.80	(1.24)
75/100 guarantee policy	14.55	13.77	15.00	14.31	13.87	0.78	(1.23)
100/100 guarantee policy	14.37	13.60	14.83	14.16	13.72	0.77	(1.23)
PS1 75/75 guarantee policy	13.47	12.72	13.83	13.16	12.72	0.75	(1.11)
PS1 75/100 guarantee policy	13.39	12.65	13.76	13.10	12.67	0.74	(1.11)
PS1 100/100 guarantee policy	13.22	12.50	13.60	12.96	12.54	0.72	(1.10)
PS2 75/75 guarantee policy	16.99	15.73	—	15.65	14.83	1.26	(1.04)
PS2 75/100 guarantee policy	16.99	15.73	16.77	15.65	14.83	1.26	(1.04)
PS2 100/100 guarantee policy	16.96	—	—	—	—	1.26	—
PS 75/75 guarantee policy	11.55	10.81	11.64	10.98	10.52	0.74	(0.83)
PS 75/100 guarantee policy	11.52	10.78	11.62	10.97	10.51	0.74	(0.84)
PPS 75/75 guarantee policy	11.68	10.90	—	—	—	0.78	(0.82)
PPS 75/100 guarantee policy	11.63	10.87	11.70	11.01	10.54	0.76	(0.83)
PPS 100/100 guarantee policy	11.60	10.84	—	—	—	0.76	(0.83)

Income Opportunity Fund (LLIM) SF354

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Fund is offered by The Canada Life Assurance Company.

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

Income Opportunity Fund (LLIM) SF354

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

Income Opportunity Fund (LLIM) SF354

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in fair value measurements in the notes to the Schedule of Investment Portfolio.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

Income Opportunity Fund (LLIM) SF354

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Bonds and Stocks

Bonds and stocks are recorded at fair value determined with reference to closing quoted market prices, where the last traded price falls within the day's bid-ask spread, primarily provided by third party independent pricing sources. Fair values are determined on the basis of the closing price for a security on the recognized exchange on which it is principally traded at each reporting date. In circumstances where the last traded price is not within the bid-ask spread, the Company determines the point when the bid-ask spread that is most representative of fair value based on the specific facts and circumstances.

The fair value of unlisted securities is established using quotations determined by a major dealer in a particular security. Should the quoted value for a security, in the opinion of the Fund Manager, be inaccurate, unreliable, or not readily available, the value of the security is estimated using valuation techniques. Valuation techniques include the market approach (using recent arm's-length market transactions adjusted as necessary and reference to the current market value of another instrument that is substantially the same) and the income approach (discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible).

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Derivatives

Derivatives are classified and measured at fair value. Derivatives are valued using market transactions and other market evidence whenever possible, including market based inputs to models, broker or dealer quotations or alternative pricing sources with reasonable levels of transparency. When models are used, the selection of a particular model to value a derivative depends on the contractual terms of, and specific risks inherent in, the instrument, as well as the availability of pricing information in the market. The Company generally uses similar models to value similar instruments. Valuation models require a variety of inputs, including contractual terms, market prices and rates, yield curves, credit curves, measures volatility, prepayment rates and correlations of such inputs.

f) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

Income Opportunity Fund (LLIM) SF354

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

g) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

Interest income on debt securities - included in the change in fair value of such investments and recorded on the accrual basis.

Dividend income - accrued as of the ex-dividend date and recorded on the accrual basis.

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

Miscellaneous income (loss)

Miscellaneous income (loss) generally includes the changes in foreign exchange rates between trade and settlement dates, foreign exchange rates on bank balances, securities lending income, derivative income, and management fee rebates.

h) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Income Opportunity Fund (LLIM) SF354

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

i) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

j) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

k) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

l) Income Allocation

Net gain (loss) on investments, which includes dividend income, interest income, realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the net asset value (NAV) per unit.

m) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

n) Transaction Costs

Transaction costs, such as brokerage commissions, incurred in the purchase and sale of securities by the Fund are charged to expenses in the year.

Income Opportunity Fund (LLIM) SF354

Notes to the Financial Statements

(in Canadian \$ thousands)

3. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Emperor,
- Flex,
- Generations/Mosaic,
- Generations I,
- Generations II,
- Generations Core,
- Prestige/Prestige Plus, and
- Private Collections.

In addition to the Individual units, units are available for:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

The categories of units are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

4. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

Income Opportunity Fund (LLIM) SF354

Notes to the Financial Statements

(in Canadian \$ thousands)

5. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

6. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

7. DERIVATIVE FINANCIAL INSTRUMENTS

Derivative contracts, including forward currency, futures and equity swap contracts, are valued at the gain or loss that would arise as a result of closing the position at the reporting date. Options are recorded at fair value as at the reporting date. The Fund may use derivative contracts to hedge against losses caused by changes in securities prices, interest rates, exchange rates and/or other risks. The Fund may also use derivative contracts for non-hedging purposes in order to invest indirectly in financial markets or to gain exposure to other currencies, provided the use of such derivatives is consistent with the Fund's investment objectives and strategies. Foreign currency risk and exposure may be direct or indirect and can include all or a portion of the currency exposure of an existing investment or group of investments. Any such gain or loss on derivative contracts is recorded as part of net gain (loss) on investments.

As at the reporting date, the unrealized gain (loss) on derivative contracts is reflected on the Statement of Financial Position of the Fund.

The Fund manages derivative credit risk through collateral arrangements where required. The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are implemented by the Fund regarding the acceptability of types of collateral and the valuation parameters. The Fund Manager monitors the value of the collateral and requests additional collateral when needed.

Income Opportunity Fund (LLIM) SF354

Notes to the Financial Statements

(in Canadian \$ thousands)

8. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.
- c) The Fund invests in assets or underlying funds managed by Mackenzie Financial Corporation, which operates as Mackenzie Investments. All investment transactions with the corresponding underlying funds are at quoted market prices.

Income Opportunity Fund (LLIM) SF354

Supplemental Information *(unaudited)*

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾

For the years ended December 31	2023	2022	2021	2020	2019
Generations/Mosaic	2.76	2.75	2.75	2.75	2.75
Generations I	2.21	2.20	2.20	2.20	2.21
Generations II	2.27	2.25	2.26	2.25	2.26
Generations Core	2.16	2.14	2.15	2.15	2.15
75/75 guarantee policy	2.16	2.13	2.15	2.15	2.15
75/100 guarantee policy	2.21	2.18	2.20	2.20	2.21
100/100 guarantee policy	2.27	2.25	2.26	2.26	2.26
PS1 75/75 guarantee policy	1.98	1.97	1.97	1.97	1.96
PS1 75/100 guarantee policy	2.03	2.02	2.02	2.02	2.02
PS1 100/100 guarantee policy	2.09	2.07	2.07	2.08	2.08
PS 75/75 guarantee policy	1.06	1.04	1.05	1.05	1.06
PS 75/100 guarantee policy	1.12	1.11	1.11	1.11	1.11
PPS 75/75 guarantee policy	0.88	0.87	—	—	—
PPS 75/100 guarantee policy	0.93	0.93	0.93	0.93	0.92
PPS 100/100 guarantee policy	0.99	0.98	—	—	—

Portfolio Turnover Rate (%) ⁽²⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	64.93	149.22	70.37	31.99	14.08

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
NORTHSTAR FUND (FIDELITY) SF355

December 31, 2023

Independent Auditor's Report

To the Contractholders of Northstar Fund (Fidelity) SF355 (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

Northstar Fund (Fidelity) SF355

(in Canadian \$ thousands)

Fund Manager: Fidelity Investments Canada ULC

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ 74	\$ 39
Investment income due and accrued	—	—
Due from The Canada Life Assurance Company (note 8)	—	—
Due from brokers	—	—
Due from outside parties	—	—
Investments		
Investment fund units (note 3)	71,964	66,633
Total investments	71,964	66,633
Total assets	\$ 72,038	\$ 66,672
Liabilities		
Overdrafts	\$ —	\$ —
Due to The Canada Life Assurance Company (note 8)	134	26
Due to brokers	55	19
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	189	45
Net assets attributable to contractholders	\$ 71,849	\$ 66,627

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 10,895	\$ (3,421)
Miscellaneous income (loss)	—	—
Total income (loss)	10,895	(3,421)
Expenses		
Management fees (note 8)	2,064	2,020
Other	225	219
Total expenses	2,289	2,239
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 8,606	\$ (5,660)

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year		
	\$ 66,627	\$ 75,464
Contractholder deposits	6,647	2,865
Contractholder withdrawals	(10,031)	(6,042)
Increase (decrease) in net assets from operations attributable to contractholders	8,606	(5,660)
Change in net assets attributable to contractholders	5,222	(8,837)
Net assets attributable to contractholders - end of year	\$ 71,849	\$ 66,627

Northstar Fund (Fidelity) SF355

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 8,606	\$ (5,660)
Adjustments		
Realized (gains) losses	(1,527)	(959)
Unrealized (gains) losses	(417)	7,645
Gross proceeds of disposition of investments	9,037	7,113
Gross payments for the purchase of investments	(3,473)	(1,690)
Distribution income of underlying mutual fund	(8,951)	(3,265)
Change in due from/to The Canada Life Assurance Company	108	7
Change in due from/to brokers	36	17
	<u>3,419</u>	<u>3,208</u>
Financing Activities		
Contractholder deposits	6,647	2,865
Contractholder withdrawals	(10,031)	(6,042)
	<u>(3,384)</u>	<u>(3,177)</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	35	31
Cash, short-term deposits and overdrafts, beginning of year	39	8
Cash, short-term deposits and overdrafts, end of year	\$ 74	\$ 39

Northstar Fund (Fidelity) SF355

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units)

As at December 31, 2023

	<u>No. of Units</u>	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units			
Fidelity NorthStar Fund Class O	2,081,024	64,036	71,964
Total Investments		64,036	71,964

Top 25 Holdings

Security Description	% of Total
Microsoft Corp.	2.64%
NVIDIA Corp.	2.19%
Metro Inc.	1.36%
Alphabet Inc. Class C	1.22%
Amazon.com Inc.	1.21%
Johnson & Johnson Inc.	1.08%
Altria Group Inc.	1.01%
Philip Morris International Inc.	1.01%
Imperial Brands PLC	0.99%
Nestle SA	0.99%
British American Tobacco PLC	0.98%
Peabody Energy Corp.	0.97%
DB Insurance Co. Ltd.	0.95%
T-Mobile US Inc.	0.95%
PG&E Corp.	0.90%
Diageo PLC	0.89%
TMX Group Ltd.	0.77%
Uber Technologies Inc.	0.77%
Aerojet Rocketdyne Holdings Inc.	0.75%
Meta Platforms Inc.	0.74%
Univar Solutions Inc.	0.74%
Wells Fargo & Co.	0.74%
Flex Ltd.	0.71%
Horizon Therapeutics PLC	0.71%
STEF	0.70%

Northstar Fund (Fidelity) SF355

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Net Assets Attributable to Contractholders by Category

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
Generations/Mosaic	638,446	754,006	837,121	1,041,241	1,239,680	14,923	15,617	18,806	22,014	22,139
Generations I	124,217	135,121	172,853	198,045	229,535	2,937	2,825	3,911	4,207	4,110
Generations II	31,567	38,093	39,200	41,276	49,234	667	713	797	791	798
Generations Core	139,087	170,996	192,213	195,168	267,564	3,230	3,500	4,244	4,033	4,644
75/75 guarantee policy	269,452	257,001	269,100	252,441	339,426	7,877	6,620	7,478	6,565	7,415
75/100 guarantee policy	696,480	712,095	705,681	674,906	783,561	19,654	17,766	19,055	17,112	16,745
100/100 guarantee policy	114,708	124,161	140,729	140,233	159,908	3,080	2,958	3,640	3,417	3,295
PS1 75/75 guarantee policy	110,756	108,251	129,494	102,615	151,456	3,234	2,776	3,569	2,638	3,259
PS1 75/100 guarantee policy	404,745	402,384	376,972	276,090	342,613	11,389	9,976	10,079	6,907	7,200
PS1 100/100 guarantee policy	85,276	75,903	65,752	28,979	25,437	2,277	1,793	1,683	697	516
PS2 75/75 guarantee policy	6,962	3,713	3,978	5,005	14,514	282	128	144	164	387
PS2 75/100 guarantee policy	45,789	50,967	51,347	40,030	44,172	1,855	1,763	1,856	1,311	1,178
PS2 100/100 guarantee policy	—	—	—	1,892	1,954	—	—	—	62	52
PS 75/75 guarantee policy	387	599	—	—	280	5	7	—	—	3
PS 75/100 guarantee policy	16,603	9,656	3,374	761	1,114	226	115	43	9	11
PS 100/100 guarantee policy	604	610	1,032	—	—	8	7	13	—	—
PPS 75/75 guarantee policy	1,522	—	—	—	—	22	—	—	—	—
PPS 75/100 guarantee policy	13,179	5,252	11,367	808	6,961	183	63	146	10	69

Net Assets Attributable to Contractholders Per Unit (note 7)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
Generations/Mosaic	23.37	20.71	22.47	21.14	17.86	2.66	(1.76)
Generations I	23.64	20.90	22.62	21.24	17.91	2.74	(1.72)
Generations II	21.11	18.73	20.34	19.16	16.20	2.38	(1.61)
Generations Core	23.23	20.47	22.08	20.66	17.36	2.76	(1.61)
75/75 guarantee policy	29.23	25.76	27.79	26.01	21.85	3.47	(2.03)
75/100 guarantee policy	28.22	24.95	27.00	25.36	21.37	3.27	(2.05)
100/100 guarantee policy	26.85	23.82	25.87	24.37	20.61	3.03	(2.05)
PS1 75/75 guarantee policy	29.20	25.64	27.56	25.71	21.52	3.56	(1.92)
PS1 75/100 guarantee policy	28.14	24.79	26.74	25.02	21.01	3.35	(1.95)
PS1 100/100 guarantee policy	26.69	23.62	25.59	24.05	20.29	3.07	(1.97)
PS2 75/75 guarantee policy	40.53	34.60	36.16	32.78	26.67	5.93	(1.56)
PS2 75/100 guarantee policy	40.51	34.58	36.14	32.76	26.66	5.93	(1.56)
PS2 100/100 guarantee policy	—	—	—	32.75	26.65	—	—
PS 75/75 guarantee policy	13.84	12.06	—	—	9.91	1.78	(0.81)
PS 75/100 guarantee policy	13.61	11.90	12.74	11.83	9.86	1.71	(0.84)
PS 100/100 guarantee policy	13.35	11.71	12.57	—	—	1.64	(0.86)
PPS 75/75 guarantee policy	14.11	—	—	—	—	1.86	—
PPS 75/100 guarantee policy	13.87	12.09	12.89	11.93	9.91	1.78	(0.80)

Northstar Fund (Fidelity) SF355

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Northstar Fund (Fidelity) SF355 (the Fund) is offered by The Canada Life Assurance Company (Canada Life or the Company).

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

Northstar Fund (Fidelity) SF355

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

Northstar Fund (Fidelity) SF355

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in note 9 on Financial Instrument Risk Management.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

Northstar Fund (Fidelity) SF355

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Investment Fund Units

Investment fund units are recorded at fair value, which is the closing net asset value (NAV) per unit of the underlying fund.

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Northstar Fund (Fidelity) SF355

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

Northstar Fund (Fidelity) SF355

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

k) Income Allocation

Net gain (loss) on investments, which includes realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the NAV per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

3. INVESTMENT FUND UNITS

Investment fund units of the Fund invest solely in underlying mutual funds.

As the Fund's assets are invested in underlying investment funds, the Fund indirectly pays management fees and operating expenses of the underlying funds. All such charges are included in the management expense ratio of the segregated funds.

Distributions of income from the underlying investment funds are shown as net gain (loss) on investments on the Statement of Comprehensive Income.

Investment activity of the underlying fund indirectly exposes the Fund to financial risk. See note 9 on Financial Instrument Risk Management.

Investments in unconsolidated structured entities

The Company has determined that the Fund meets the definition of an investment entity and as such, accounts for its holdings in unlisted open-ended investment funds at FVTPL. The Company has concluded that the underlying funds in which the Fund invests, but do not consolidate, meet the definition of structured entities because: (i) the voting rights in the underlying funds are not dominant rights in deciding who controls them; (ii) each underlying fund's activities are restricted by its prospectus; and (iii) the underlying funds have narrow and well-defined objectives to provide investment opportunities to investors.

Northstar Fund (Fidelity) SF355

Notes to the Financial Statements

(in Canadian \$ thousands)

4. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Emperor,
- Flex,
- Generations/Mosaic,
- Generations I,
- Generations II,
- Generations Core,
- Prestige/Prestige Plus, and
- Private Collections.

In addition to the Individual units, units are available for:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

The categories of units are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

Northstar Fund (Fidelity) SF355

Notes to the Financial Statements

(in Canadian \$ thousands)

5. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

6. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

7. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

Northstar Fund (Fidelity) SF355

Notes to the Financial Statements

(in Canadian \$ thousands)

8. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.

Northstar Fund (Fidelity) SF355

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT

a) Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023. The following sections describe the significant risks that are relevant to the Fund.

To assist with managing risk, the Fund Manager maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and securities regulations. Financial statements for the underlying funds, which include discussions about their respective risk exposure, are available upon request.

b) Liquidity Risk

Liquidity risk arises when a Fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units. As the Fund primarily invests all of its net assets in the underlying funds, liquidity risk is mitigated by the underlying funds' ability to meet the obligation to fund daily cash redemptions of their redeemable units/shares. In addition, the underlying funds retain sufficient cash and cash equivalent positions to maintain adequate liquidity.

c) Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The Fund's investments in all underlying funds are denominated in Canadian dollars. However, the Fund is indirectly exposed to currency risk to the extent that the investments of the underlying funds are denominated or traded in a foreign currency.

d) Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund does not directly hold any interest-bearing financial instruments. The Fund is indirectly exposed to the risk that the value of interest-bearing financial instruments held by the underlying funds will fluctuate due to changes in the prevailing levels of market interest rates.

e) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund has no direct exposure to credit risk. The greatest indirect concentration of credit risk is in debt securities, such as bonds, held by underlying funds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer.

f) Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. For the instruments held by the Fund, maximum risk of loss is equivalent to their fair value. The Fund Manager moderates this risk through a careful selection of underlying funds within the parameters of the investment strategy.

g) Fair Value Classification

Investment Fund Units are recorded at fair value, which is the closing NAV per unit of the underlying fund. This valuation is considered to be a Level 1 classification.

Northstar Fund (Fidelity) SF355

Supplemental Information (unaudited)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾

For the years ended December 31	2023	2022	2021	2020	2019
Generations/Mosaic	3.72	3.73	3.73	3.76	3.73
Generations I	3.50	3.51	3.51	3.54	3.51
Generations II	3.83	3.84	3.84	3.87	3.84
Generations Core	3.17	3.17	3.17	3.21	3.18
75/75 guarantee policy	3.17	3.17	3.17	3.21	3.18
75/100 guarantee policy	3.50	3.50	3.50	3.54	3.51
100/100 guarantee policy	3.83	3.84	3.83	3.87	3.84
PS1 75/75 guarantee policy	2.82	2.83	2.82	2.86	2.83
PS1 75/100 guarantee policy	3.15	3.15	3.15	3.19	3.16
PS1 100/100 guarantee policy	3.59	3.59	3.60	3.63	3.60
PS 75/75 guarantee policy	2.09	2.07	—	—	2.06
PS 75/100 guarantee policy	2.40	2.40	2.40	2.44	2.39
PS 100/100 guarantee policy	2.74	2.74	2.72	—	—
PPS 75/75 guarantee policy	1.71	—	—	—	—
PPS 75/100 guarantee policy	2.05	2.06	2.05	2.08	2.05

Portfolio Turnover Rate (%) ⁽²⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	5.05	2.48	10.04	3.27	1.60

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
AMERICAN DISCIPLINED EQUITY FUND (FIDELITY) SF356

December 31, 2023

Independent Auditor's Report

To the Contractholders of American Disciplined Equity Fund (Fidelity) SF356 (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

American Disciplined Equity Fund (Fidelity) SF356

(in Canadian \$ thousands)

Fund Manager: Fidelity Investments Canada ULC

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ —	\$ —
Investment income due and accrued	—	—
Due from The Canada Life Assurance Company (note 8)	—	—
Due from brokers	57	31
Due from outside parties	—	—
Investments		
Investment fund units (note 3)	52,429	49,759
Total investments	52,429	49,759
Total assets	\$ 52,486	\$ 49,790
Liabilities		
Overdrafts	\$ 70	\$ 47
Due to The Canada Life Assurance Company (note 8)	14	16
Due to brokers	—	—
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	84	63
Net assets attributable to contractholders	\$ 52,402	\$ 49,727

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 12,690	\$ (8,633)
Miscellaneous income (loss)	—	—
Total income (loss)	12,690	(8,633)
Expenses		
Management fees (note 8)	1,547	1,610
Other	141	146
Total expenses	1,688	1,756
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 11,002	\$ (10,389)

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year	\$ 49,727	\$ 65,832
Contractholder deposits	380	661
Contractholder withdrawals	(8,707)	(6,377)
Increase (decrease) in net assets from operations attributable to contractholders	11,002	(10,389)
Change in net assets attributable to contractholders	2,675	(16,105)
Net assets attributable to contractholders - end of year	\$ 52,402	\$ 49,727

American Disciplined Equity Fund (Fidelity) SF356

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 11,002	\$ (10,389)
Adjustments		
Realized (gains) losses	(4,262)	(3,251)
Unrealized (gains) losses	(7,057)	12,632
Gross proceeds of disposition of investments	10,331	8,921
Gross payments for the purchase of investments	(311)	(1,483)
Distribution income of underlying mutual fund	(1,371)	(748)
Change in due from/to The Canada Life Assurance Company	(2)	5
Change in due from/to brokers	(26)	29
	<u>8,304</u>	<u>5,716</u>
Financing Activities		
Contractholder deposits	380	661
Contractholder withdrawals	(8,707)	(6,377)
	<u>(8,327)</u>	<u>(5,716)</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	(23)	—
Cash, short-term deposits and overdrafts, beginning of year	(47)	(47)
Cash, short-term deposits and overdrafts, end of year	\$ (70)	\$ (47)

American Disciplined Equity Fund (Fidelity) SF356

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units)

As at December 31, 2023

	<u>No. of Units</u>	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units			
Fidelity American Disciplined Equity	1,246,333	29,023	52,429
Total Investments		29,023	52,429

Top 25 Holdings

Security Description	% of Total
Microsoft Corp.	7.33%
Apple Inc.	5.29%
NVIDIA Corp.	4.56%
Amazon.com Inc.	3.81%
Alphabet Inc. Class C	3.45%
JPMorgan Chase & Co.	2.82%
Meta Platforms Inc.	2.17%
Exxon Mobil Corp.	2.15%
Eli Lilly and Co.	2.05%
Salesforce Inc.	1.99%
Wells Fargo & Co.	1.68%
ServiceNow Inc.	1.66%
Cisco Systems Inc.	1.65%
UnitedHealth Group Inc.	1.61%
Visa Inc. Class A	1.56%
NXP Semiconductors NV	1.52%
Tesla Inc.	1.48%
Arista Networks Inc.	1.46%
The Procter & Gamble Co.	1.44%
Merck & Co. Inc.	1.22%
The Boeing Co.	1.17%
Marvell Technology Inc.	1.16%
Equinix Inc. REIT	1.12%
Walmart Inc.	1.12%
The Home Depot Inc.	1.11%

American Disciplined Equity Fund (Fidelity) SF356

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Net Assets Attributable to Contractholders by Category

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
Generations/Mosaic	432,738	496,128	525,006	589,099	633,685	14,331	13,310	16,862	15,342	14,459
Generations I	81,258	109,447	123,399	128,059	145,958	2,839	3,096	4,177	3,513	3,506
Generations II	65,030	79,632	82,743	86,916	100,623	1,865	1,854	2,313	1,976	2,010
Generations Core	48,693	81,911	91,362	127,945	141,465	1,529	2,075	2,759	3,119	3,008
75/75 guarantee policy	90,302	104,612	120,574	133,648	206,273	4,005	3,742	5,141	4,600	6,194
75/100 guarantee policy	225,844	269,027	310,916	357,017	451,287	9,650	9,306	12,869	11,976	13,256
100/100 guarantee policy	61,505	69,825	80,559	98,270	137,276	2,507	2,312	3,202	3,176	3,898
PS1 75/75 guarantee policy	82,894	92,525	85,871	79,092	79,302	3,482	3,123	3,441	2,548	2,220
PS1 75/100 guarantee policy	257,916	285,476	328,587	326,710	378,231	10,515	9,376	12,847	10,299	10,388
PS1 100/100 guarantee policy	27,289	30,073	37,795	54,879	60,308	1,062	947	1,422	1,671	1,606
PS2 75/75 guarantee policy	1,698	1,761	1,919	2,330	12,851	98	79	99	95	442
PS2 75/100 guarantee policy	6,663	6,858	7,062	7,276	10,731	382	308	366	296	369
PS2 100/100 guarantee policy	2,393	4,433	6,435	6,624	6,826	137	199	334	269	235
PS 75/75 guarantee policy	—	—	—	—	1,845	—	—	—	—	21
PS 75/100 guarantee policy	—	—	—	—	1,086	—	—	—	—	12
PPS 75/100 guarantee policy	—	—	—	—	6,491	—	—	—	—	74

Net Assets Attributable to Contractholders Per Unit (note 7)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
Generations/Mosaic	33.12	26.83	32.12	26.04	22.82	6.29	(5.29)
Generations I	34.94	28.29	33.85	27.43	24.02	6.65	(5.56)
Generations II	28.67	23.29	27.96	22.73	19.97	5.38	(4.67)
Generations Core	31.41	25.33	30.20	24.38	21.27	6.08	(4.87)
75/75 guarantee policy	44.35	35.77	42.64	34.42	30.03	8.58	(6.87)
75/100 guarantee policy	42.73	34.59	41.39	33.54	29.37	8.14	(6.80)
100/100 guarantee policy	40.77	33.11	39.75	32.32	28.40	7.66	(6.64)
PS1 75/75 guarantee policy	42.01	33.75	40.07	32.22	27.99	8.26	(6.32)
PS1 75/100 guarantee policy	40.77	32.84	39.10	31.53	27.47	7.93	(6.26)
PS1 100/100 guarantee policy	38.93	31.48	37.62	30.45	26.63	7.45	(6.14)
PS2 75/75 guarantee policy	57.36	44.87	51.87	40.61	34.35	12.49	(7.00)
PS2 75/100 guarantee policy	57.37	44.88	51.88	40.62	34.36	12.49	(7.00)
PS2 100/100 guarantee policy	57.44	44.93	51.94	40.67	34.40	12.51	(7.01)
PS 75/75 guarantee policy	—	—	—	—	11.38	—	—
PS 75/100 guarantee policy	—	—	—	—	11.31	—	—
PPS 75/100 guarantee policy	—	—	—	—	11.40	—	—

American Disciplined Equity Fund (Fidelity) SF356

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The American Disciplined Equity Fund (Fidelity) SF356 (the Fund) is offered by The Canada Life Assurance Company (Canada Life or the Company).

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

American Disciplined Equity Fund (Fidelity) SF356

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

American Disciplined Equity Fund (Fidelity) SF356

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in note 9 on Financial Instrument Risk Management.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

American Disciplined Equity Fund (Fidelity) SF356

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Investment Fund Units

Investment fund units are recorded at fair value, which is the closing net asset value (NAV) per unit of the underlying fund.

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

American Disciplined Equity Fund (Fidelity) SF356

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

American Disciplined Equity Fund (Fidelity) SF356

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

k) Income Allocation

Net gain (loss) on investments, which includes realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the NAV per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

3. INVESTMENT FUND UNITS

Investment fund units of the Fund invest solely in underlying mutual funds.

As the Fund's assets are invested in underlying investment funds, the Fund indirectly pays management fees and operating expenses of the underlying funds. All such charges are included in the management expense ratio of the segregated funds.

Distributions of income from the underlying investment funds are shown as net gain (loss) on investments on the Statement of Comprehensive Income.

Investment activity of the underlying fund indirectly exposes the Fund to financial risk. See note 9 on Financial Instrument Risk Management.

Investments in unconsolidated structured entities

The Company has determined that the Fund meets the definition of an investment entity and as such, accounts for its holdings in unlisted open-ended investment funds at FVTPL. The Company has concluded that the underlying funds in which the Fund invests, but do not consolidate, meet the definition of structured entities because: (i) the voting rights in the underlying funds are not dominant rights in deciding who controls them; (ii) each underlying fund's activities are restricted by its prospectus; and (iii) the underlying funds have narrow and well-defined objectives to provide investment opportunities to investors.

American Disciplined Equity Fund (Fidelity) SF356

Notes to the Financial Statements

(in Canadian \$ thousands)

4. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Emperor,
- Flex,
- Generations/Mosaic,
- Generations I,
- Generations II,
- Generations Core,
- Prestige/Prestige Plus, and
- Private Collections.

In addition to the Individual units, units are available for:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

The categories of units are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

American Disciplined Equity Fund (Fidelity) SF356

Notes to the Financial Statements

(in Canadian \$ thousands)

5. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

6. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

7. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

American Disciplined Equity Fund (Fidelity) SF356

Notes to the Financial Statements

(in Canadian \$ thousands)

8. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.

American Disciplined Equity Fund (Fidelity) SF356

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT

a) Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023. The following sections describe the significant risks that are relevant to the Fund.

To assist with managing risk, the Fund Manager maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and securities regulations. Financial statements for the underlying funds, which include discussions about their respective risk exposure, are available upon request.

b) Liquidity Risk

Liquidity risk arises when a Fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units. As the Fund primarily invests all of its net assets in the underlying funds, liquidity risk is mitigated by the underlying funds' ability to meet the obligation to fund daily cash redemptions of their redeemable units/shares. In addition, the underlying funds retain sufficient cash and cash equivalent positions to maintain adequate liquidity.

c) Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The Fund's investments in all underlying funds are denominated in Canadian dollars. However, the Fund is indirectly exposed to currency risk to the extent that the investments of the underlying funds are denominated or traded in a foreign currency.

d) Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund does not directly hold any interest-bearing financial instruments. The Fund is indirectly exposed to the risk that the value of interest-bearing financial instruments held by the underlying funds will fluctuate due to changes in the prevailing levels of market interest rates.

e) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund has no direct exposure to credit risk. The greatest indirect concentration of credit risk is in debt securities, such as bonds, held by underlying funds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer.

f) Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. For the instruments held by the Fund, maximum risk of loss is equivalent to their fair value. The Fund Manager moderates this risk through a careful selection of underlying funds within the parameters of the investment strategy.

g) Fair Value Classification

Investment Fund Units are recorded at fair value, which is the closing NAV per unit of the underlying fund. This valuation is considered to be a Level 1 classification.

American Disciplined Equity Fund (Fidelity) SF356

Supplemental Information *(unaudited)*

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾

For the years ended December 31	2023	2022	2021	2020	2019
Generations/Mosaic	3.50	3.51	3.50	3.51	3.52
Generations I	3.45	3.45	3.45	3.46	3.47
Generations II	3.77	3.78	3.77	3.79	3.79
Generations Core	3.06	3.07	3.07	3.07	3.08
75/75 guarantee policy	3.06	3.07	3.07	3.08	3.08
75/100 guarantee policy	3.45	3.45	3.45	3.46	3.47
100/100 guarantee policy	3.77	3.78	3.78	3.79	3.79
PS1 75/75 guarantee policy	2.67	2.67	2.66	2.67	2.68
PS1 75/100 guarantee policy	2.94	2.95	2.94	2.95	2.95
PS1 100/100 guarantee policy	3.32	3.33	3.33	3.33	3.34
PS 75/75 guarantee policy	—	—	—	—	1.99
PS 75/100 guarantee policy	—	—	—	—	2.35
PPS 75/100 guarantee policy	—	—	—	—	1.85

Portfolio Turnover Rate (%) ⁽²⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	0.60	2.72	2.38	5.50	6.72

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
GLOBAL BALANCED FUND (MACKENZIE) SF513

December 31, 2023

Independent Auditor's Report

To the Contractholders of Global Balanced Fund (Mackenzie) SF513 (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

Global Balanced Fund (Mackenzie) SF513

(in Canadian \$ thousands)

Fund Manager: Canada Life Investment Management Ltd.

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ 155	\$ 148
Investment income due and accrued	—	—
Due from The Canada Life Assurance Company (note 8)	—	104
Due from brokers	75	—
Due from outside parties	—	—
Investments		
Investment fund units (note 3)	255,682	241,102
Total investments	255,682	241,102
Total assets	\$ 255,912	\$ 241,354
Liabilities		
Overdrafts	\$ —	\$ —
Due to The Canada Life Assurance Company (note 8)	198	—
Due to brokers	—	56
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	198	56
Net assets attributable to contractholders	\$ 255,714	\$ 241,298

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 27,507	\$ (22,933)
Miscellaneous income (loss)	—	—
Total income (loss)	27,507	(22,933)
Expenses		
Management fees (note 8)	5,963	5,850
Other	602	581
Total expenses	6,565	6,431
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 20,942	\$ (29,364)

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year		
	\$ 241,298	\$ 273,178
Contractholder deposits	27,569	19,172
Contractholder withdrawals	(34,095)	(21,688)
Increase (decrease) in net assets from operations attributable to contractholders	20,942	(29,364)
Change in net assets attributable to contractholders	14,416	(31,880)
Net assets attributable to contractholders - end of year	\$ 255,714	\$ 241,298

Global Balanced Fund (Mackenzie) SF513

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 20,942	\$ (29,364)
Adjustments		
Realized (gains) losses	(594)	554
Unrealized (gains) losses	(20,956)	28,146
Gross proceeds of disposition of investments	23,753	24,895
Gross payments for the purchase of investments	(10,826)	(16,138)
Distribution income of underlying mutual fund	(5,957)	(5,767)
Change in due from/to The Canada Life Assurance Company	302	(42)
Change in due from/to brokers	(131)	148
	<u>6,533</u>	<u>2,432</u>
Financing Activities		
Contractholder deposits	27,569	19,172
Contractholder withdrawals	(34,095)	(21,688)
	<u>(6,526)</u>	<u>(2,516)</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	7	(84)
Cash, short-term deposits and overdrafts, beginning of year	148	232
Cash, short-term deposits and overdrafts, end of year	\$ 155	\$ 148

Global Balanced Fund (Mackenzie) SF513

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units)

As at December 31, 2023

	<u>No. of Units</u>	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units			
Canada Life Global Balanced Fund Series S *	12,477,195	243,065	255,682
Total Investments		243,065	255,682

Top 25 Holdings

Security Description	% of Total
Cash and short-term deposits	3.46%
Danaher Corp.	3.37%
Colgate Palmolive Co.	2.84%
Alphabet Inc. Class A	2.48%
Brookfield Corp.	2.46%
Berkshire Hathaway Inc. Class B	2.40%
Johnson & Johnson Inc.	2.35%
Reckitt Benckiser Group PLC	2.24%
Compass Group PLC	2.21%
Seven & i Holdings Co. Ltd.	2.17%
W. W. Grainger Inc.	2.13%
Accenture PLC Class A	2.11%
Roche Holding AG	2.07%
Industria de Diseno Textil SA	2.00%
Visa Inc. Class A	1.95%
Oracle Corp.	1.94%
RELX PLC	1.84%
Halma PLC	1.81%
Union Pacific Corp.	1.79%
Microsoft Corp.	1.77%
Amcor PLC	1.76%
Admiral Group PLC	1.69%
Heineken NV	1.67%
Deutsche Boerse AG	1.66%
Abbott Laboratories	1.64%

*The issuer of this security is a related company to the issuer of the Fund.

Global Balanced Fund (Mackenzie) SF513

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Net Assets Attributable to Contractholders by Category

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
75/75 guarantee policy	1,690,936	1,752,479	1,795,082	1,500,460	1,258,961	38,245	36,450	41,782	32,941	25,240
75/100 guarantee policy	4,737,510	4,763,866	4,911,615	4,307,065	3,725,129	105,523	97,794	113,080	93,734	74,194
100/100 guarantee policy	606,194	649,453	695,163	661,952	650,371	13,163	13,017	15,651	14,109	12,706
PS1 75/75 guarantee policy	822,315	867,192	883,815	592,157	255,834	17,280	16,718	19,022	11,993	4,719
PS1 75/100 guarantee policy	2,910,741	2,882,223	2,754,706	1,934,951	1,426,199	60,103	54,690	58,452	38,697	26,019
PS1 100/100 guarantee policy	374,920	338,851	321,513	247,009	198,399	7,536	6,272	6,670	4,840	3,554
PS2 75/75 guarantee policy	68,834	94,826	89,791	86,227	53,799	1,927	2,375	2,449	2,158	1,197
PS2 75/100 guarantee policy	231,534	298,420	314,938	214,179	181,493	6,486	7,479	8,594	5,364	4,039
PS2 100/100 guarantee policy	48,209	60,436	106,773	66,042	47,525	1,351	1,515	2,914	1,654	1,058
PS 75/75 guarantee policy	26,302	29,608	35,953	17,915	18,753	341	350	470	218	206
PS 75/100 guarantee policy	138,356	147,007	113,094	89,672	22,136	1,774	1,719	1,467	1,087	243
PS 100/100 guarantee policy	—	—	—	5,020	—	—	—	—	61	—
PPS 75/75 guarantee policy	53,935	130,415	79,126	64,589	6,958	710	1,558	1,044	793	77
PPS 75/100 guarantee policy	90,263	99,505	100,387	21,827	19,072	1,177	1,180	1,316	267	210
PPS 100/100 guarantee policy	7,622	15,433	20,546	—	—	98	181	267	—	—

Net Assets Attributable to Contractholders Per Unit (note 7)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
75/75 guarantee policy	22.62	20.80	23.28	21.95	20.05	1.82	(2.48)
75/100 guarantee policy	22.27	20.53	23.02	21.76	19.92	1.74	(2.49)
100/100 guarantee policy	21.71	20.04	22.51	21.31	19.54	1.67	(2.47)
PS1 75/75 guarantee policy	21.01	19.28	21.52	20.25	18.44	1.73	(2.24)
PS1 75/100 guarantee policy	20.65	18.97	21.22	20.00	18.24	1.68	(2.25)
PS1 100/100 guarantee policy	20.10	18.51	20.75	19.60	17.92	1.59	(2.24)
PS2 75/75 guarantee policy	28.00	25.05	27.28	25.03	22.25	2.95	(2.23)
PS2 75/100 guarantee policy	28.01	25.06	27.29	25.04	22.26	2.95	(2.23)
PS2 100/100 guarantee policy	28.02	25.07	27.29	25.05	22.26	2.95	(2.22)
PS 75/75 guarantee policy	12.98	11.81	13.07	12.19	11.01	1.17	(1.26)
PS 75/100 guarantee policy	12.83	11.69	12.97	12.13	10.98	1.14	(1.28)
PS 100/100 guarantee policy	—	—	—	12.08	—	—	—
PPS 75/75 guarantee policy	13.16	11.94	13.19	12.27	11.06	1.22	(1.25)
PPS 75/100 guarantee policy	13.04	11.86	13.11	12.22	11.03	1.18	(1.25)
PPS 100/100 guarantee policy	12.87	11.72	12.99	—	—	1.15	(1.27)

Global Balanced Fund (Mackenzie) SF513

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Global Balanced Fund (Mackenzie) SF513 (the Fund) is offered by The Canada Life Assurance Company (Canada Life or the Company).

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

Global Balanced Fund (Mackenzie) SF513

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

Global Balanced Fund (Mackenzie) SF513

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in note 9 on Financial Instrument Risk Management.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

Global Balanced Fund (Mackenzie) SF513

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Investment Fund Units

Investment fund units are recorded at fair value, which is the closing net asset value (NAV) per unit of the underlying fund.

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Global Balanced Fund (Mackenzie) SF513

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

Global Balanced Fund (Mackenzie) SF513

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

k) Income Allocation

Net gain (loss) on investments, which includes realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the NAV per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

3. INVESTMENT FUND UNITS

Investment fund units of the Fund invest solely in underlying mutual funds.

As the Fund's assets are invested in underlying investment funds, the Fund indirectly pays management fees and operating expenses of the underlying funds. All such charges are included in the management expense ratio of the segregated funds.

Distributions of income from the underlying investment funds are shown as net gain (loss) on investments on the Statement of Comprehensive Income.

Investment activity of the underlying fund indirectly exposes the Fund to financial risk. See note 9 on Financial Instrument Risk Management.

Investments in unconsolidated structured entities

The Company has determined that the Fund meets the definition of an investment entity and as such, accounts for its holdings in unlisted open-ended investment funds at FVTPL. The Company has concluded that the underlying funds in which the Fund invests, but do not consolidate, meet the definition of structured entities because: (i) the voting rights in the underlying funds are not dominant rights in deciding who controls them; (ii) each underlying fund's activities are restricted by its prospectus; and (iii) the underlying funds have narrow and well-defined objectives to provide investment opportunities to investors.

Global Balanced Fund (Mackenzie) SF513

Notes to the Financial Statements

(in Canadian \$ thousands)

4. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Emperor,
- Flex,
- Generations/Mosaic,
- Generations I,
- Generations II,
- Generations Core,
- Prestige/Prestige Plus, and
- Private Collections.

In addition to the Individual units, units are available for:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

The categories of units are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

Global Balanced Fund (Mackenzie) SF513

Notes to the Financial Statements

(in Canadian \$ thousands)

5. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

6. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

7. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

Global Balanced Fund (Mackenzie) SF513

Notes to the Financial Statements

(in Canadian \$ thousands)

8. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.
- c) The Fund invests in assets or underlying funds managed by Canada Life Investment Management Ltd. All investment transactions with the corresponding underlying funds are at quoted market prices.

Global Balanced Fund (Mackenzie) SF513

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT

a) Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023. The following sections describe the significant risks that are relevant to the Fund.

To assist with managing risk, the Fund Manager maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and securities regulations. Financial statements for the underlying funds, which include discussions about their respective risk exposure, are available upon request.

b) Liquidity Risk

Liquidity risk arises when a Fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units. As the Fund primarily invests all of its net assets in the underlying funds, liquidity risk is mitigated by the underlying funds' ability to meet the obligation to fund daily cash redemptions of their redeemable units/shares. In addition, the underlying funds retain sufficient cash and cash equivalent positions to maintain adequate liquidity.

c) Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The Fund's investments in all underlying funds are denominated in Canadian dollars. However, the Fund is indirectly exposed to currency risk to the extent that the investments of the underlying funds are denominated or traded in a foreign currency.

d) Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund does not directly hold any interest-bearing financial instruments. The Fund is indirectly exposed to the risk that the value of interest-bearing financial instruments held by the underlying funds will fluctuate due to changes in the prevailing levels of market interest rates.

e) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund has no direct exposure to credit risk. The greatest indirect concentration of credit risk is in debt securities, such as bonds, held by underlying funds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer.

f) Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. For the instruments held by the Fund, maximum risk of loss is equivalent to their fair value. The Fund Manager moderates this risk through a careful selection of underlying funds within the parameters of the investment strategy.

g) Fair Value Classification

Investment Fund Units are recorded at fair value, which is the closing NAV per unit of the underlying fund. This valuation is considered to be a Level 1 classification.

Global Balanced Fund (Mackenzie) SF513

Supplemental Information (unaudited)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾

For the years ended December 31	2023	2022	2021	2020	2019
75/75 guarantee policy	2.75	2.75	2.73	2.72	2.72
75/100 guarantee policy	2.97	2.97	2.95	2.94	2.94
100/100 guarantee policy	3.12	3.12	3.11	3.10	3.09
PS1 75/75 guarantee policy	2.51	2.51	2.49	2.45	2.46
PS1 75/100 guarantee policy	2.67	2.67	2.66	2.62	2.62
PS1 100/100 guarantee policy	2.89	2.89	2.88	2.84	2.84
PS 75/75 guarantee policy	1.65	1.65	1.63	1.64	1.62
PS 75/100 guarantee policy	1.87	1.86	1.86	1.85	1.84
PS 100/100 guarantee policy	—	—	—	2.01	—
PPS 75/75 guarantee policy	1.41	1.41	1.40	1.36	1.36
PPS 75/100 guarantee policy	1.58	1.58	1.55	1.53	1.52
PPS 100/100 guarantee policy	1.80	1.80	1.79	—	—

Unsubsidized Management Expense Ratio (%) ⁽²⁾

For the years ended December 31	2023	2022	2021	2020	2019
PS1 75/75 guarantee policy	2.51	2.51	2.49	2.48	2.49
PS1 75/100 guarantee policy	2.67	2.67	2.66	2.65	2.65
PS1 100/100 guarantee policy	2.89	2.89	2.88	2.87	2.87
PPS 75/75 guarantee policy	1.41	1.41	1.40	1.39	1.39
PPS 75/100 guarantee policy	1.58	1.58	1.55	1.56	1.55

Portfolio Turnover Rate (%) ⁽³⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	4.41	6.54	89.58	6.27	4.67

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The Company has waived a portion of the fees for the Preferred Series 1 and Preferred Partner Series guarantee policies. There is no obligation for the Company to continue waiving these fees and it may cease to do so at any time without notice.

(3) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
GLOBAL VALUE FUND (MACKENZIE) SF514

December 31, 2023

Independent Auditor's Report

To the Contractholders of Global Value Fund (Mackenzie) SF514 (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

Global Value Fund (Mackenzie) SF514

(in Canadian \$ thousands)

Fund Manager: Mackenzie Investments

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ —	\$ —
Investment income due and accrued	—	—
Due from The Canada Life Assurance Company (note 8)	—	8
Due from brokers	13	13
Due from outside parties	—	—
Investments		
Investment fund units (note 3)	14,883	14,996
Total investments	14,883	14,996
Total assets	\$ 14,896	\$ 15,017
Liabilities		
Overdrafts	\$ 16	\$ 14
Due to The Canada Life Assurance Company (note 8)	5	—
Due to brokers	—	—
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	21	14
Net assets attributable to contractholders	\$ 14,875	\$ 15,003

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 2,693	\$ (1,084)
Miscellaneous income (loss)	—	—
Total income (loss)	2,693	(1,084)
Expenses		
Management fees (note 8)	256	270
Other	30	32
Total expenses	286	302
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 2,407	\$ (1,386)

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year		
	\$ 15,003	\$ 18,218
Contractholder deposits	116	98
Contractholder withdrawals	(2,651)	(1,927)
Increase (decrease) in net assets from operations attributable to contractholders	2,407	(1,386)
Change in net assets attributable to contractholders	(128)	(3,215)
Net assets attributable to contractholders - end of year	\$ 14,875	\$ 15,003

Global Value Fund (Mackenzie) SF514

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 2,407	\$ (1,386)
Adjustments		
Realized (gains) losses	(692)	(412)
Unrealized (gains) losses	(1,963)	1,606
Gross proceeds of disposition of investments	3,119	2,502
Gross payments for the purchase of investments	(313)	(354)
Distribution income of underlying mutual fund	(38)	(110)
Change in due from/to The Canada Life Assurance Company	13	(11)
Change in due from/to brokers	—	22
	<u>2,533</u>	<u>1,857</u>
Financing Activities		
Contractholder deposits	116	98
Contractholder withdrawals	(2,651)	(1,927)
	<u>(2,535)</u>	<u>(1,829)</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	(2)	28
Cash, short-term deposits and overdrafts, beginning of year	(14)	(42)
Cash, short-term deposits and overdrafts, end of year	\$ (16)	\$ (14)

Global Value Fund (Mackenzie) SF514

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units)

As at December 31, 2023

	<u>No. of Units</u>	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units			
Mackenzie Cundill Value Fund Series S *	688,133	10,700	14,883
Total Investments		10,700	14,883

Top 25 Holdings

Security Description	% of Total
Renesas Electronics Corp.	3.94%
SNC-Lavalin Group Inc.	3.90%
Oracle Corp.	3.77%
UBS Group AG	3.70%
Salesforce Inc.	3.33%
Wells Fargo & Co.	3.27%
Bank of America Corp.	3.21%
Teck Resources Ltd. Class B	2.98%
Comcast Corp. Class A	2.84%
Becton, Dickinson and Co.	2.53%
Lam Research Corp.	2.38%
Dollar Tree Inc.	2.29%
Shell PLC Class A ADR	2.29%
Skechers USA Inc. Class A	2.26%
DXC Technology Co.	2.20%
Aptiv PLC	2.19%
Coca-Cola Europacific Partners PLC	2.12%
Brookfield Asset Management Inc. Class A	2.06%
Koninklijke Philips NV	2.05%
Siemens AG	2.03%
Brookfield Corp.	1.94%
The TJX Companies Inc.	1.94%
Lowe's Companies Inc.	1.87%
Exxon Mobil Corp.	1.85%
General Motors Co.	1.79%

*The issuer of this security is a related company to the issuer of the Fund.

Global Value Fund (Mackenzie) SF514

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance. Portfolio units are allocated to each category as described in note 4 and are not included on this page.

Net Assets Attributable to Contractholders by Category

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
75/75 guarantee policy	40,301	45,323	54,838	63,933	95,482	654	634	841	876	1,370
75/100 guarantee policy	119,680	140,371	151,117	205,576	255,458	1,883	1,907	2,259	2,751	3,585
100/100 guarantee policy	193,876	205,072	215,277	246,456	262,929	2,885	2,647	3,068	3,157	3,546
PS1 75/75 guarantee policy	40,431	40,982	44,121	41,914	68,500	717	624	733	620	1,054
PS1 75/100 guarantee policy	44,830	52,392	62,619	77,402	98,539	765	770	1,009	1,113	1,480
PS1 100/100 guarantee policy	111,572	146,646	162,355	173,720	144,670	1,807	2,054	2,503	2,400	2,097
PS2 75/75 guarantee policy	425	868	1,605	2,048	2,092	10	17	34	38	39
PS2 75/100 guarantee policy	20,726	23,160	26,641	27,742	82,992	495	462	566	510	1,550
PS2 100/100 guarantee policy	15,947	17,703	19,776	18,053	17,084	381	354	420	332	319
PS 75/75 guarantee policy	434	437	440	444	711	4	4	4	4	6
PS 75/100 guarantee policy	922	962	1,011	1,019	809	9	8	10	9	7

Net Assets Attributable to Contractholders Per Unit (note 7)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
75/75 guarantee policy	16.22	13.98	15.34	13.71	14.35	2.24	(1.36)
75/100 guarantee policy	15.73	13.59	14.95	13.38	14.03	2.14	(1.36)
100/100 guarantee policy	14.88	12.91	14.25	12.81	13.49	1.97	(1.34)
PS1 75/75 guarantee policy	17.74	15.22	16.62	14.78	15.39	2.52	(1.40)
PS1 75/100 guarantee policy	17.08	14.70	16.11	14.37	15.01	2.38	(1.41)
PS1 100/100 guarantee policy	16.20	14.00	15.42	13.82	14.50	2.20	(1.42)
PS2 75/75 guarantee policy	23.88	19.96	21.24	18.41	18.68	3.92	(1.28)
PS2 75/100 guarantee policy	23.87	19.95	21.23	18.40	18.67	3.92	(1.28)
PS2 100/100 guarantee policy	23.89	19.97	21.25	18.41	18.69	3.92	(1.28)
PS 75/75 guarantee policy	10.37	8.84	9.59	8.48	8.77	1.53	(0.75)
PS 75/100 guarantee policy	10.25	8.76	9.52	8.43	8.74	1.49	(0.76)

Global Value Fund (Mackenzie) SF514

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Global Value Fund (Mackenzie) SF514 (the Fund) is offered by The Canada Life Assurance Company (Canada Life or the Company).

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

Global Value Fund (Mackenzie) SF514

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

Global Value Fund (Mackenzie) SF514

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in note 9 on Financial Instrument Risk Management.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

Global Value Fund (Mackenzie) SF514

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Investment Fund Units

Investment fund units are recorded at fair value, which is the closing net asset value (NAV) per unit of the underlying fund.

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Global Value Fund (Mackenzie) SF514

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

Global Value Fund (Mackenzie) SF514

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

k) Income Allocation

Net gain (loss) on investments, which includes realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the NAV per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

3. INVESTMENT FUND UNITS

Investment fund units of the Fund invest solely in underlying mutual funds.

As the Fund's assets are invested in underlying investment funds, the Fund indirectly pays management fees and operating expenses of the underlying funds. All such charges are included in the management expense ratio of the segregated funds.

Distributions of income from the underlying investment funds are shown as net gain (loss) on investments on the Statement of Comprehensive Income.

Investment activity of the underlying fund indirectly exposes the Fund to financial risk. See note 9 on Financial Instrument Risk Management.

Investments in unconsolidated structured entities

The Company has determined that the Fund meets the definition of an investment entity and as such, accounts for its holdings in unlisted open-ended investment funds at FVTPL. The Company has concluded that the underlying funds in which the Fund invests, but do not consolidate, meet the definition of structured entities because: (i) the voting rights in the underlying funds are not dominant rights in deciding who controls them; (ii) each underlying fund's activities are restricted by its prospectus; and (iii) the underlying funds have narrow and well-defined objectives to provide investment opportunities to investors.

Global Value Fund (Mackenzie) SF514

Notes to the Financial Statements

(in Canadian \$ thousands)

4. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Emperor,
- Flex,
- Generations/Mosaic,
- Generations I,
- Generations II,
- Generations Core,
- Prestige/Prestige Plus, and
- Private Collections.

In addition to the Individual units, units are available for:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

Portfolio units are those units owned by the Asset Allocation Funds. Each Portfolio fund is represented by a separate category.

The categories of units, and the various levels within each, are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

Global Value Fund (Mackenzie) SF514

Notes to the Financial Statements

(in Canadian \$ thousands)

5. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

6. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

7. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

Global Value Fund (Mackenzie) SF514

Notes to the Financial Statements

(in Canadian \$ thousands)

8. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.
- c) The Fund invests in assets or underlying funds managed by Mackenzie Financial Corporation, which operates as Mackenzie Investments. All investment transactions with the corresponding underlying funds are at quoted market prices.

Global Value Fund (Mackenzie) SF514

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT

a) Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023. The following sections describe the significant risks that are relevant to the Fund.

To assist with managing risk, the Fund Manager maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and securities regulations. Financial statements for the underlying funds, which include discussions about their respective risk exposure, are available upon request.

b) Liquidity Risk

Liquidity risk arises when a Fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units. As the Fund primarily invests all of its net assets in the underlying funds, liquidity risk is mitigated by the underlying funds' ability to meet the obligation to fund daily cash redemptions of their redeemable units/shares. In addition, the underlying funds retain sufficient cash and cash equivalent positions to maintain adequate liquidity.

c) Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The Fund's investments in all underlying funds are denominated in Canadian dollars. However, the Fund is indirectly exposed to currency risk to the extent that the investments of the underlying funds are denominated or traded in a foreign currency.

d) Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund does not directly hold any interest-bearing financial instruments. The Fund is indirectly exposed to the risk that the value of interest-bearing financial instruments held by the underlying funds will fluctuate due to changes in the prevailing levels of market interest rates.

e) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund has no direct exposure to credit risk. The greatest indirect concentration of credit risk is in debt securities, such as bonds, held by underlying funds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer.

f) Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. For the instruments held by the Fund, maximum risk of loss is equivalent to their fair value. The Fund Manager moderates this risk through a careful selection of underlying funds within the parameters of the investment strategy.

g) Fair Value Classification

Investment Fund Units are recorded at fair value, which is the closing NAV per unit of the underlying fund. This valuation is considered to be a Level 1 classification.

Global Value Fund (Mackenzie) SF514

Supplemental Information (unaudited)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾

For the years ended December 31	2023	2022	2021	2020	2019
75/75 guarantee policy	3.08	3.08	3.06	3.07	3.06
75/100 guarantee policy	3.30	3.30	3.29	3.29	3.28
100/100 guarantee policy	3.69	3.69	3.68	3.67	3.67
PS1 75/75 guarantee policy	2.62	2.61	2.60	2.56	2.56
PS1 75/100 guarantee policy	2.95	2.95	2.93	2.90	2.89
PS1 100/100 guarantee policy	3.40	3.39	3.38	3.34	3.34
PS 75/75 guarantee policy	1.96	1.96	1.95	1.99	1.94
PS 75/100 guarantee policy	2.19	2.17	2.17	2.16	2.16

Unsubsidized Management Expense Ratio (%) ⁽²⁾

For the years ended December 31	2023	2022	2021	2020	2019
PS1 75/75 guarantee policy	2.62	2.61	2.60	2.60	2.59
PS1 75/100 guarantee policy	2.95	2.95	2.93	2.94	2.92
PS1 100/100 guarantee policy	3.40	3.39	3.38	3.38	3.37

Portfolio Turnover Rate (%) ⁽³⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	2.09	2.20	0.94	7.32	16.78

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The Company has waived a portion of the fees for the Preferred Series 1 and Preferred Partner Series guarantee policies. There is no obligation for the Company to continue waiving these fees and it may cease to do so at any time without notice.

(3) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY

GLOBAL INFRASTRUCTURE EQUITY FUND (LONDON CAPITAL) SF515

December 31, 2023

Independent Auditor's Report

To the Contractholders of Global Infrastructure Equity Fund (London Capital) SF515 (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

Global Infrastructure Equity Fund (London Capital) SF515

(in Canadian \$ thousands)

Fund Manager: Mackenzie Investments

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ 149	\$ 426
Investment income due and accrued	157	136
Due from The Canada Life Assurance Company (note 7)	25	185
Due from brokers	—	—
Due from outside parties	2	2
Investments		
Bonds	—	—
Stocks	77,212	81,742
Investment fund units	—	—
Total investments	77,212	81,742
Total assets	\$ 77,545	\$ 82,491
Liabilities		
Overdrafts	\$ —	\$ —
Due to The Canada Life Assurance Company (note 7)	—	—
Due to brokers	—	192
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	—	192
Net assets attributable to contractholders	\$ 77,545	\$ 82,299

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 4,314	\$ 4,534
Miscellaneous income (loss)	21	10
Total income (loss)	4,335	4,544
Expenses		
Management fees (note 7)	1,116	895
Transaction costs	150	141
Withholding taxes	303	245
Other	111	101
Total expenses	1,680	1,382
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 2,655	\$ 3,162

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year	\$ 82,299	\$ 68,659
Contractholder deposits	7,723	21,275
Contractholder withdrawals	(15,132)	(10,797)
Increase (decrease) in net assets from operations attributable to contractholders	2,655	3,162
Change in net assets attributable to contractholders	(4,754)	13,640
Net assets attributable to contractholders - end of year	\$ 77,545	\$ 82,299

Global Infrastructure Equity Fund (London Capital) SF515

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 2,655	\$ 3,162
Adjustments		
Realized (gains) losses	645	(2,195)
Unrealized (gains) losses	(1,738)	496
Gross proceeds of disposition of investments	79,657	79,751
Gross payments for the purchase of investments	(74,034)	(91,464)
Change in investment income due and accrued	(21)	(36)
Change in due from/to The Canada Life Assurance Company	160	(99)
Change in due from/to brokers	(192)	176
Change in due from/to outside parties	—	—
	<u>7,132</u>	<u>(10,209)</u>
Financing Activities		
Contractholder deposits	7,723	21,275
Contractholder withdrawals	(15,132)	(10,797)
	<u>(7,409)</u>	<u>10,478</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	(277)	269
Cash, short-term deposits and overdrafts, beginning of year	426	157
Cash, short-term deposits and overdrafts, end of year	\$ 149	\$ 426
Supplementary cash flow information		
Dividend income received	\$ 3,195	\$ 2,796

Global Infrastructure Equity Fund (London Capital) SF515

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or <u>Par Value</u>	Average <u>Cost</u>	Fair <u>Value</u>
Canadian Common Stock			
Communication Services			
Quebecor Media Inc. Class B sub. voting	5,332	157	168
Energy			
Enbridge Inc. [CAD]	48,015	2,475	2,290
Enbridge Inc. [USD]	726	36	35
TC Energy Corp.	16,955	1,028	878
Utilities			
ATCO Ltd. Class I non-voting	35,201	1,385	1,361
Canadian Utilities Ltd. Class A non-voting	1,389	51	44
Superior Plus Corp.	37,803	391	364
Total Canadian Common Stock		5,523	5,140
United States Common Stock			
Communication Services			
AT&T Inc.	48,599	1,248	1,081
Frontier Communications Parent Inc.	11,470	351	385
Telephone and Data Systems Inc.	3,798	93	92
T-Mobile US Inc.	1,991	350	423
United States Cellular Corp.	2,258	129	124
Verizon Communications Inc.	23,502	1,125	1,174
Consumer Discretionary			
Adtalem Global Education Inc.	3,557	216	278
Chegg Inc.	11,503	144	173
Perdoceo Education Corp.	13,091	199	305
Stride Inc.	583	46	46
Energy			
Antero Midstream Corp.	14,061	229	233
Cheniere Energy Inc.	10,793	1,600	2,441
DT Midstream Inc.	3,522	249	256
Equitrans Midstream Corp.	18,376	188	248
Hess Midstream LP	10,700	425	448
Kinder Morgan Inc.	45,673	1,029	1,068
ONEOK Inc.	11,832	967	1,101

Global Infrastructure Equity Fund (London Capital) SF515

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or Par Value	Average Cost	Fair Value
United States Common Stock (continued)			
Energy (continued)			
Targa Resources Corp.	6,757	427	778
The Williams Companies Inc.	32,596	1,198	1,504
Financials			
iShares Global Infrastructure ETF	11,396	729	710
Health Care			
Encompass Health Corp.	5,546	471	490
Universal Health Services Inc. Class B	208	38	42
Utilities			
Allete Inc.	10,542	790	854
Ameren Corp.	1,539	158	148
American Electric Power Co. Inc.	337	43	36
Atmos Energy Corp.	2,284	349	351
Black Hills Corp.	5,060	366	362
CenterPoint Energy Inc.	16,405	647	621
Consolidated Edison Inc.	5,041	628	608
Constellation Energy Corp.	2,310	372	358
Dominion Energy Inc.	2,560	226	159
Duke Energy Corp.	8,679	1,067	1,116
Edison International	3,971	392	376
Entergy Corp.	6,879	938	922
Exelon Corp.	8,272	469	393
Genie Energy Ltd.	1,170	38	44
National Fuel Gas Co.	6,752	495	449
NextEra Energy Inc.	31,854	2,940	2,564
NiSource Inc.	44,790	1,609	1,576
OGE Energy Corp.	16,668	770	771
Otter Tail Corp.	2,795	276	315
Public Service Enterprise Group Inc.	1,268	106	103
Sempra	11,914	1,198	1,180
Southern Co.	13,270	1,213	1,233
UGI Corp.	22,201	706	724
Xcel Energy Inc.	9,776	788	802
Total United States Common Stock		28,035	29,465

Global Infrastructure Equity Fund (London Capital) SF515

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or Par Value	Average Cost	Fair Value
Global Common Stock			
Australia			
Atlas Arteria Ltd. Unit	158,534	968	827
Qube Holdings Ltd.	442,666	1,189	1,295
Transurban Group Stapled Security	202,191	2,459	2,503
Austria			
Verbund AG	2,595	297	319
Bermuda			
BW LPG Ltd.	9,853	140	194
Cosco Pacific Ltd.	310,112	305	297
Hafnia Ltd.	6,990	61	64
Liberty Global Ltd. NPV Class C	9,643	230	238
Liberty Latin America Ltd. Class A	16,023	219	155
Shenzhen International Holdings Ltd.	39,277	62	44
Yuexiu Transport Infrastructure Ltd.	86,000	63	62
Brazil			
Centrais Eletricas Brasileiras SA (Electrobras)	35,733	375	408
Companhia de Saneamento Basico do Estado de Sao Paulo	13,617	229	275
China			
Anhui Expressway Co. Ltd.	44,000	58	57
Beijing Capital International Airport Co. Ltd.	216,000	104	84
CGN Power Co. Ltd.	1,963,000	664	679
Jiangsu Expressway Co. Ltd.	582,222	783	693
Shenzhen Expressway Corp. Ltd.	385,287	469	412
Zhejiang Expressway Co. Ltd.	576,411	590	509
Finland			
Fortum OYJ	8,933	158	171
France			
Aeroports de Paris	981	172	168
Engie SA	52,371	1,035	1,219
Getlink SE	76,313	1,631	1,848

Global Infrastructure Equity Fund (London Capital) SF515

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or Par Value	Average Cost	Fair Value
Global Common Stock (continued)			
Germany			
Deutsche Telekom AG	48,953	1,324	1,557
E.ON SE	83,994	1,455	1,492
Fraport AG	12,186	743	976
RWE AG	5,315	277	320
Hong Kong			
China Merchants Holdings International Co. Ltd.	184,130	394	332
Israel			
Bezeq Israeli Telecommunication Corp. Ltd.	21,115	41	38
Italy			
A2A SPA	215,262	537	585
Enav SPA	33,270	196	167
Enel SPA	289,682	2,609	2,851
IREN SPA	17,521	53	51
Japan			
Chubu Electric Power Co. Inc.	21,900	361	375
Japan Airport Terminal Co. Ltd.	21,200	1,266	1,237
Kamigumi Co. Ltd.	7,345	200	232
Kansai Electric Power Company Inc.	28,800	490	506
Kyushu Electric Power Company Inc.	16,700	147	160
Mitsubishi Logistics Corp.	7,100	239	283
Nippon Gas Co. Ltd.	5,576	112	122
Osaka Gas Co. Ltd	14,500	317	401
Shikoku Electric Power Co. Inc.	4,000	37	38
The Chugoku Electric Power Co. Inc.	13,700	125	130
The Sumitomo Warehouse Co. Ltd.	4,179	85	96
Toho Gas Co. Ltd.	6,300	149	174
Tohoku Electric Power Co. Inc.	14,600	129	132
Luxembourg			
Corp. America Airports SA	6,896	128	147
d'Amico International Shipping SA	8,755	69	72
Millicom International Cellular SA	2,612	56	62

Global Infrastructure Equity Fund (London Capital) SF515

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or <u>Par Value</u>	Average <u>Cost</u>	Fair <u>Value</u>
Global Common Stock (continued)			
Marshall Islands			
Dorian LPG Ltd.	1,291	42	75
International Seaways Inc.	3,048	166	184
Scorpio Tankers Inc.	5,731	442	462
Mexico			
Grupo Aeroportuario del Centro Norte SAB de CV ADR	5,019	382	563
Grupo Aeroportuario del Pacifico SAB de CV ADR	6,859	1,216	1,592
Grupo Aeroportuario del Sureste SAB de CV ADR	3,344	896	1,304
New Zealand			
Auckland International Airport Ltd.	192,982	1,233	1,422
Contact Energy Ltd.	5,777	38	39
Norway			
Telenor ASA	2,506	38	38
Portugal			
NOS SGPS SA	34,659	179	162
Singapore			
Hutchison Port Holdings Trust Unit	610,168	164	120
SATS Ltd.	106,457	287	294
Sembcorp Industries Ltd.	35,600	126	190
Spain			
Aena SM	19,045	3,798	4,571
Endesa SA	1,301	35	35
Iberdrola SA	168,517	2,278	2,926
Telefonica SA	20,588	113	106
Sweden			
AcadeMedia AB	14,938	98	101
Ambea AB	13,962	77	96
Switzerland			
BKW AG	349	81	82
Flughafen Zuerich AG	4,860	1,160	1,344

Global Infrastructure Equity Fund (London Capital) SF515

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or <u>Par Value</u>	Average <u>Cost</u>	Fair <u>Value</u>
Global Common Stock (continued)			
United Kingdom			
Airtel Africa PLC	22,049	49	48
Centrica PLC	101,402	152	241
National Grid PLC	64,025	1,130	1,143
Pearson PLC	2,354	36	38
SSE PLC	10,545	274	330
TORM PLC	1,090	40	44
Total Global Common Stock		38,330	42,607
Total Stocks		71,888	77,212
Transaction Costs (note 2)		(75)	
Total Investments		71,813	77,212

Global Infrastructure Equity Fund (London Capital) SF515

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

Introduction

The objective of the Global Infrastructure Equity Fund (London Capital) SF515 (the Fund) in managing risk is the creation and protection of contractholder value. Risk is inherent in the Fund's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. The process of risk management is critical to the Fund's continuing profitability. The Fund can be exposed to liquidity risk, market risk (which includes currency risk, interest rate risk and other price risk) and credit risk arising from the financial instruments it holds.

A. Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023, and groups the securities by asset type, geographic region and/or market segment. The following sections describe the significant risks that are relevant to the Fund.

To assist with managing risk, The Canada Life Assurance Company (Canada Life or the Company) maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and other regulations.

B. Liquidity Risk

Liquidity risk arises when a fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units by contractholders. The Fund retains sufficient cash and cash equivalent positions to maintain adequate liquidity to meet the obligation to fund daily cash redemptions of their redeemable units.

Some securities are illiquid due to legal restrictions on their resale, the nature of the investment, or simply a lack of interested buyers for a particular security or security type. Certain securities may become less liquid due to changes in market conditions, such as interest rate changes or market volatility, which could impair the ability of a fund to sell such securities quickly.

In accordance with the Fund's policy, the Company monitors the Fund's liquidity positions on a regular basis.

C. Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The classifications used on the Schedule of Investment Portfolio for the financial instruments are based on the country of issue.

Global Infrastructure Equity Fund (London Capital) SF515

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

C. Currency Risk (continued)

The table below indicates the foreign currencies to which the Fund had significant exposure as at December 31, 2023 in Canadian dollar terms, including the underlying principal amount of forward currency contracts, if any. The table also illustrates the potential impact to the Fund's net assets attributable to contractholders, all other variables held constant, as a result of a 1% change in these currencies relative to the Canadian dollar. In practice, the actual results may differ from this sensitivity analysis and the difference could be significant.

2023

Currency	Investments	Cash, Short-term Deposits and Overdrafts	Total*	Impact on Net Assets Attributable to Contractholders
United States Dollar	\$ 35,023	\$ (4)	\$ 35,019	\$ 350
Euro	19,596	13	19,609	196
Australian Dollar	4,625	—	4,625	46
Japanese Yen	3,886	—	3,886	39
Other Currencies	8,977	55	9,032	91
Total	\$ 72,107	\$ 64	\$ 72,171	\$ 722
As Percent of Net Assets Attributable to Contractholders			93.1%	0.9%

*Includes both monetary and non-monetary instruments

2022

Currency	Investments	Cash, Short-term Deposits and Overdrafts	Total*	Impact on Net Assets Attributable to Contractholders
United States Dollar	\$ 41,394	\$ 19	\$ 41,413	\$ 414
Euro	14,431	2	14,433	144
Australian Dollar	5,179	—	5,179	52
Other Currencies	11,792	54	11,846	119
Total	\$ 72,796	\$ 75	\$ 72,871	\$ 729
As Percent of Net Assets Attributable to Contractholders			88.5%	0.9%

*Includes both monetary and non-monetary instruments

D. Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. The Fund Manager moderates this risk through careful selection of securities and other financial instruments within the parameters of the investment strategy. The maximum risk resulting from financial instruments is equivalent to their fair value.

For the Fund, the most significant exposure to other price risk arises from its investment in equity securities. As at December 31, 2023, had the prices on the respective stock exchanges for these securities increased or decreased by 1%, with all other variables held constant, assets would have increased (or decreased) by approximately \$772 (\$817 at December 31, 2022) or approximately 1.0% (1.0% at December 31, 2022) of total net assets attributable to contractholders. In practice, the actual results may differ and the difference could be significant.

Global Infrastructure Equity Fund (London Capital) SF515

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

E. Fair Value Classification

The following table presents information about the Fund's assets and liabilities measured at fair value on a recurring basis and indicates the fair value hierarchy of the valuation techniques utilized by the Fund to determine such fair value:

<u>Assets measured at fair value</u>	2023			
	Assets and Liabilities Measured at Fair Value			
	Level 1	Level 2	Level 3	Total
Stocks	\$ 77,174	\$ 38	\$ —	\$ 77,212
Total assets measured at fair value	\$ 77,174	\$ 38	\$ —	\$ 77,212

<u>Assets measured at fair value</u>	2022			
	Assets and Liabilities Measured at Fair Value			
	Level 1	Level 2	Level 3	Total
Stocks	\$ 81,361	\$ 381	\$ —	\$ 81,742
Total assets measured at fair value	\$ 81,361	\$ 381	\$ —	\$ 81,742

In accordance with the Fund's valuation policy, the Fund applies fair value adjustment factors to the quoted market prices for certain non-North American equities when North American intraday stock market movements exceed predetermined tolerances. The adjustment factors are applied in order to estimate the impact on fair values of events occurring between the close of the non-North American stock markets and the close of business for the Fund. If fair value adjustment factors are applied, non-North American equities are classified as Level 2. Consequently, non-North American equities are frequently transferred between Level 1 (unadjusted quoted market prices) and Level 2 (adjusted market prices). As at December 31, 2023, these securities were classified as Level 2 (Level 2 at December 31, 2022).

Global Infrastructure Equity Fund (London Capital) SF515

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance. Portfolio units are allocated to each category as described in note 3 and are not included on this page.

Net Assets Attributable to Contractholders by Category

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
75/75 guarantee policy	278,486	266,399	206,020	192,222	124,950	5,162	4,825	3,637	3,162	2,295
75/100 guarantee policy	689,655	715,777	429,749	453,474	371,908	12,357	12,573	7,383	7,283	6,692
100/100 guarantee policy	84,778	92,184	73,802	63,880	60,071	1,445	1,545	1,214	985	1,042
PS1 75/75 guarantee policy	241,561	255,793	188,364	151,700	126,074	4,791	4,934	3,526	2,633	2,433
PS1 75/100 guarantee policy	773,969	751,915	358,765	227,608	189,872	14,787	14,019	6,512	3,845	3,577
PS1 100/100 guarantee policy	60,341	98,592	34,882	33,026	34,132	1,094	1,752	606	537	621
PS2 75/75 guarantee policy	11,921	15,934	17,378	11,213	17,248	314	399	412	240	401
PS2 75/100 guarantee policy	40,043	66,270	63,446	31,985	38,708	1,055	1,657	1,502	685	899
PS2 100/100 guarantee policy	17,842	19,367	19,590	17,988	18,010	471	485	464	385	419
PS 75/75 guarantee policy	27,790	33,855	19,299	9,491	2,069	325	383	211	95	23
PS 75/100 guarantee policy	39,670	48,832	46,806	16,195	3,789	456	545	505	162	42
PPS 75/75 guarantee policy	9,055	17,076	12,673	3,254	3,175	109	197	140	33	36
PPS 75/100 guarantee policy	55,604	21,487	15,862	4,380	903	656	245	174	44	10

Net Assets Attributable to Contractholders Per Unit (note 6)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
75/75 guarantee policy	18.54	18.11	17.66	16.45	18.37	0.43	0.45
75/100 guarantee policy	17.92	17.57	17.18	16.06	17.99	0.35	0.39
100/100 guarantee policy	17.04	16.76	16.45	15.43	17.34	0.28	0.31
PS1 75/75 guarantee policy	19.83	19.29	18.72	17.36	19.30	0.54	0.57
PS1 75/100 guarantee policy	19.11	18.64	18.15	16.89	18.84	0.47	0.49
PS1 100/100 guarantee policy	18.14	17.78	17.38	16.25	18.20	0.36	0.40
PS2 75/75 guarantee policy	26.37	25.02	23.68	21.43	23.24	1.35	1.34
PS2 75/100 guarantee policy	26.35	25.01	23.67	21.41	23.23	1.34	1.34
PS2 100/100 guarantee policy	26.37	25.02	23.68	21.43	23.24	1.35	1.34
PS 75/75 guarantee policy	11.71	11.32	10.91	10.06	11.11	0.39	0.41
PS 75/100 guarantee policy	11.50	11.15	10.79	9.97	11.05	0.35	0.36
PPS 75/75 guarantee policy	12.01	11.55	11.09	10.17	11.18	0.46	0.46
PPS 75/100 guarantee policy	11.79	11.38	10.96	10.09	11.13	0.41	0.42

Global Infrastructure Equity Fund (London Capital) SF515

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Fund is offered by The Canada Life Assurance Company.

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

Global Infrastructure Equity Fund (London Capital) SF515

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

Global Infrastructure Equity Fund (London Capital) SF515

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in fair value measurements in the notes to the Schedule of Investment Portfolio.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

Global Infrastructure Equity Fund (London Capital) SF515

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) **Stocks**

Stocks are recorded at fair value determined with reference to closing quoted market prices, where the last traded price falls within the day's bid-ask spread, primarily provided by third party independent pricing sources. Fair values are determined on the basis of the closing price for a security on the recognized exchange on which it is principally traded at each reporting date. In circumstances where the last traded price is not within the bid-ask spread, the Company determines the point when the bid-ask spread that is most representative of fair value based on the specific facts and circumstances.

The fair value of unlisted securities is established using quotations determined by a major dealer in a particular security. Should the quoted value for a security, in the opinion of the Fund Manager, be inaccurate, unreliable, or not readily available, the value of the security is estimated using valuation techniques. Valuation techniques include the market approach (using recent arm's-length market transactions adjusted as necessary and reference to the current market value of another instrument that is substantially the same) and the income approach (discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible).

d) **Cash, Short-term Deposits and Overdrafts**

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) **Classification of Units Issued by the Fund**

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) **Recognition of Investments and Income**

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

Dividend income - accrued as of the ex-dividend date and recorded on the accrual basis.

Global Infrastructure Equity Fund (London Capital) SF515

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

Miscellaneous income (loss)

Miscellaneous income (loss) generally includes the changes in foreign exchange rates between trade and settlement dates, foreign exchange rates on bank balances, securities lending income, derivative income, and management fee rebates.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

Global Infrastructure Equity Fund (London Capital) SF515

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

k) Income Allocation

Net gain (loss) on investments, which includes dividend income, realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the net asset value (NAV) per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

m) Transaction Costs

Transaction costs, such as brokerage commissions, incurred in the purchase and sale of securities by the Fund are charged to expenses in the year.

Global Infrastructure Equity Fund (London Capital) SF515

Notes to the Financial Statements

(in Canadian \$ thousands)

3. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Emperor,
- Flex,
- Generations/Mosaic,
- Generations I,
- Generations II,
- Generations Core,
- Prestige/Prestige Plus, and
- Private Collections.

In addition to the Individual units, units are available for:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

Portfolio units are those units owned by the Asset Allocation Funds. Each Portfolio fund is represented by a separate category.

The categories of units, and the various levels within each, are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

Global Infrastructure Equity Fund (London Capital) SF515

Notes to the Financial Statements

(in Canadian \$ thousands)

4. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

5. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

6. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

Global Infrastructure Equity Fund (London Capital) SF515

Notes to the Financial Statements

(in Canadian \$ thousands)

7. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.
- c) The Fund invests in assets or underlying funds managed by Mackenzie Financial Corporation, which operates as Mackenzie Investments. All investment transactions with the corresponding underlying funds are at quoted market prices.

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Supplemental Information *(unaudited)*

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾

For the years ended December 31	2023	2022	2021	2020	2019
75/75 guarantee policy	2.92	2.95	2.94	2.91	2.90
75/100 guarantee policy	3.25	3.30	3.27	3.24	3.22
100/100 guarantee policy	3.58	3.61	3.60	3.57	3.55
PS1 75/75 guarantee policy	2.47	2.49	2.48	2.46	2.45
PS1 75/100 guarantee policy	2.80	2.84	2.81	2.78	2.77
PS1 100/100 guarantee policy	3.24	3.25	3.25	3.22	3.21
PS 75/75 guarantee policy	1.83	1.84	1.83	1.81	1.81
PS 75/100 guarantee policy	2.16	2.18	2.16	2.14	2.14
PPS 75/75 guarantee policy	1.37	1.38	1.37	1.36	1.36
PPS 75/100 guarantee policy	1.70	1.71	1.70	1.68	1.68

Portfolio Turnover Rate (%) ⁽²⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	90.74	96.38	141.60	93.16	89.96

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
MAXXUM CANADIAN BALANCED FUND (MACKENZIE) SF519

December 31, 2023

Independent Auditor's Report

To the Contractholders of Maxxum Canadian Balanced Fund (Mackenzie) SF519 (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

Maxxum Canadian Balanced Fund (Mackenzie) SF519

(in Canadian \$ thousands)

Fund Manager: Canada Life Investment Management Ltd.

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ 942	\$ —
Investment income due and accrued	—	—
Due from The Canada Life Assurance Company (note 8)	—	186
Due from brokers	—	215
Due from outside parties	—	—
Investments		
Investment fund units (note 3)	221,126	200,716
Total investments	221,126	200,716
Total assets	\$ 222,068	\$ 201,117
Liabilities		
Overdrafts	\$ —	\$ 189
Due to The Canada Life Assurance Company (note 8)	346	—
Due to brokers	695	—
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	1,041	189
Net assets attributable to contractholders	\$ 221,027	\$ 200,928

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 20,993	\$ (6,888)
Miscellaneous income (loss)	—	—
Total income (loss)	20,993	(6,888)
Expenses		
Management fees (note 8)	2,785	2,171
Other	296	236
Total expenses	3,081	2,407
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 17,912	\$ (9,295)

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year		
	\$ 200,928	\$ 84,320
Contractholder deposits	35,355	147,035
Contractholder withdrawals	(33,168)	(21,132)
Increase (decrease) in net assets from operations attributable to contractholders	17,912	(9,295)
Change in net assets attributable to contractholders	20,099	116,608
Net assets attributable to contractholders - end of year	\$ 221,027	\$ 200,928

Maxxum Canadian Balanced Fund (Mackenzie) SF519

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 17,912	\$ (9,295)
Adjustments		
Realized (gains) losses	239	610
Unrealized (gains) losses	(12,824)	11,642
Gross proceeds of disposition of investments	16,589	23,858
Gross payments for the purchase of investments	(16,006)	(147,188)
Distribution income of underlying mutual fund	(8,408)	(5,364)
Change in due from/to The Canada Life Assurance Company	532	(213)
Change in due from/to brokers	910	(247)
	<u>(1,056)</u>	<u>(126,197)</u>
Financing Activities		
Contractholder deposits	35,355	147,035
Contractholder withdrawals	(33,168)	(21,132)
	<u>2,187</u>	<u>125,903</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	1,131	(294)
Cash, short-term deposits and overdrafts, beginning of year	(189)	105
Cash, short-term deposits and overdrafts, end of year	\$ 942	\$ (189)

Maxxum Canadian Balanced Fund (Mackenzie) SF519

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units)

As at December 31, 2023

	<u>No. of Units</u>	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units			
Canada Life Strategic Income Fund Series S *	20,791,133	216,435	221,126
Total Investments		216,435	221,126

Top 25 Holdings

Security Description	% of Total
Mackenzie Global High Yield Fixed Income ETF *	2.30%
Royal Bank of Canada	2.16%
Bank of Montreal	1.78%
Cash and short-term deposits	1.55%
Mackenzie Floating Rate Income ETF *	1.52%
The Toronto-Dominion Bank	1.46%
Canadian Natural Resources Ltd.	1.32%
Microsoft Corp.	1.32%
Canadian Pacific Kansas City Ltd.	1.20%
Mackenzie Canadian All Corporate Bond Index ETF *	1.13%
Canadian National Railway Co.	1.03%
Loblaw Companies Ltd.	0.98%
TC Energy Corp.	0.96%
TELUS Corp.	0.90%
Intact Financial Corp.	0.89%
Enbridge Inc.	0.88%
Sun Life Financial Inc.	0.86%
Suncor Energy Inc.	0.81%
Enbridge Inc. 5.375% 09-27-2077	0.75%
The Bank of Nova Scotia	0.74%
Charter Communications Operating LLC 5.05% 03-30-2029	0.67%
JPMorgan Chase & Co.	0.66%
United States Treasury Inflation Index 0.125% 02-15-2052 Real Return	0.66%
Agnico Eagle Mines Ltd.	0.65%
Broadcom Inc.	0.65%

*The issuer of this security is a related company to the issuer of the Fund.

Maxxum Canadian Balanced Fund (Mackenzie) SF519

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance. Portfolio units are allocated to each category as described in note 4 and are not included on this page.

Net Assets Attributable to Contractholders by Category

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
75/75 guarantee policy	728,823	653,375	378,129	274,386	189,221	11,033	9,185	5,803	3,852	2,540
75/100 guarantee policy	4,941,595	4,207,103	3,065,107	2,078,209	1,554,147	73,360	58,182	46,404	28,841	20,670
100/100 guarantee policy	102,569	114,030	110,493	115,720	141,962	1,491	1,545	1,641	1,578	1,858
PS1 75/75 guarantee policy	446,136	354,805	189,991	60,701	47,220	7,359	5,415	3,155	919	681
PS1 75/100 guarantee policy	1,703,424	1,421,785	977,295	395,511	230,288	27,562	21,323	15,972	5,902	3,279
PS1 100/100 guarantee policy	18,159	11,944	11,877	5,667	7,991	286	175	190	83	112
PS2 75/75 guarantee policy	9,065	4,551	3,114	4,772	1,942	196	89	65	88	34
PS2 75/100 guarantee policy	241,491	227,927	200,509	194,194	135,116	5,219	4,457	4,169	3,595	2,328
PS2 100/100 guarantee policy	—	—	—	3,689	4,689	—	—	—	68	81
PS 75/75 guarantee policy	45,744	33,687	9,736	2,580	5,239	536	363	113	27	52
PS 75/100 guarantee policy	779,973	612,224	404,295	94,955	8,160	9,023	6,526	4,665	993	81
PPS 75/75 guarantee policy	28,790	31,470	21,294	16,608	3,388	344	344	251	176	34
PPS 75/100 guarantee policy	216,464	220,502	161,564	13,296	7,517	2,565	2,396	1,892	141	75

Net Assets Attributable to Contractholders Per Unit (note 7)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
75/75 guarantee policy	15.14	14.06	15.35	14.04	13.43	1.08	(1.29)
75/100 guarantee policy	14.85	13.83	15.14	13.88	13.30	1.02	(1.31)
100/100 guarantee policy	14.54	13.55	14.85	13.64	13.09	0.99	(1.30)
PS1 75/75 guarantee policy	16.49	15.26	16.60	15.14	14.42	1.23	(1.34)
PS1 75/100 guarantee policy	16.18	15.00	16.34	14.92	14.24	1.18	(1.34)
PS1 100/100 guarantee policy	15.77	14.65	15.99	14.64	14.00	1.12	(1.34)
PS2 75/75 guarantee policy	21.61	19.56	20.79	18.51	17.23	2.05	(1.23)
PS2 75/100 guarantee policy	21.61	19.56	20.79	18.51	17.23	2.05	(1.23)
PS2 100/100 guarantee policy	—	—	—	18.51	17.23	—	—
PS 75/75 guarantee policy	11.72	10.77	11.63	10.52	9.95	0.95	(0.86)
PS 75/100 guarantee policy	11.57	10.66	11.54	10.46	9.92	0.91	(0.88)
PPS 75/75 guarantee policy	11.96	10.95	11.78	10.62	10.00	1.01	(0.83)
PPS 75/100 guarantee policy	11.85	10.86	11.71	10.57	9.98	0.99	(0.85)

Maxxum Canadian Balanced Fund (Mackenzie) SF519

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Maxxum Canadian Balanced Fund (Mackenzie) SF519 (the Fund) is offered by The Canada Life Assurance Company (Canada Life or the Company).

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

Maxxum Canadian Balanced Fund (Mackenzie) SF519

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

Maxxum Canadian Balanced Fund (Mackenzie) SF519

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in note 9 on Financial Instrument Risk Management.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

Maxxum Canadian Balanced Fund (Mackenzie) SF519

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Investment Fund Units

Investment fund units are recorded at fair value, which is the closing net asset value (NAV) per unit of the underlying fund.

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Maxxum Canadian Balanced Fund (Mackenzie) SF519

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

Maxxum Canadian Balanced Fund (Mackenzie) SF519

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

k) Income Allocation

Net gain (loss) on investments, which includes realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the NAV per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

3. INVESTMENT FUND UNITS

Investment fund units of the Fund invest solely in underlying mutual funds.

As the Fund's assets are invested in underlying investment funds, the Fund indirectly pays management fees and operating expenses of the underlying funds. All such charges are included in the management expense ratio of the segregated funds.

Distributions of income from the underlying investment funds are shown as net gain (loss) on investments on the Statement of Comprehensive Income.

Investment activity of the underlying fund indirectly exposes the Fund to financial risk. See note 9 on Financial Instrument Risk Management.

Investments in unconsolidated structured entities

The Company has determined that the Fund meets the definition of an investment entity and as such, accounts for its holdings in unlisted open-ended investment funds at FVTPL. The Company has concluded that the underlying funds in which the Fund invests, but do not consolidate, meet the definition of structured entities because: (i) the voting rights in the underlying funds are not dominant rights in deciding who controls them; (ii) each underlying fund's activities are restricted by its prospectus; and (iii) the underlying funds have narrow and well-defined objectives to provide investment opportunities to investors.

Maxxum Canadian Balanced Fund (Mackenzie) SF519

Notes to the Financial Statements

(in Canadian \$ thousands)

4. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Emperor,
- Flex,
- Generations/Mosaic,
- Generations I,
- Generations II,
- Generations Core,
- Prestige/Prestige Plus, and
- Private Collections.

In addition to the Individual units, units are available for:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

Portfolio units are those units owned by the Asset Allocation Funds. Each Portfolio fund is represented by a separate category.

The categories of units are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

Maxxum Canadian Balanced Fund (Mackenzie) SF519

Notes to the Financial Statements

(in Canadian \$ thousands)

5. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

6. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

7. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

Maxxum Canadian Balanced Fund (Mackenzie) SF519

Notes to the Financial Statements

(in Canadian \$ thousands)

8. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.
- c) The Fund invests in assets or underlying funds managed by Canada Life Investment Management Ltd. All investment transactions with the corresponding underlying funds are at quoted market prices.

Maxxum Canadian Balanced Fund (Mackenzie) SF519

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT

a) Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023. The following sections describe the significant risks that are relevant to the Fund.

To assist with managing risk, the Fund Manager maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and securities regulations. Financial statements for the underlying funds, which include discussions about their respective risk exposure, are available upon request.

b) Liquidity Risk

Liquidity risk arises when a Fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units. As the Fund primarily invests all of its net assets in the underlying funds, liquidity risk is mitigated by the underlying funds' ability to meet the obligation to fund daily cash redemptions of their redeemable units/shares. In addition, the underlying funds retain sufficient cash and cash equivalent positions to maintain adequate liquidity.

c) Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The Fund's investments in all underlying funds are denominated in Canadian dollars. However, the Fund is indirectly exposed to currency risk to the extent that the investments of the underlying funds are denominated or traded in a foreign currency.

d) Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund does not directly hold any interest-bearing financial instruments. The Fund is indirectly exposed to the risk that the value of interest-bearing financial instruments held by the underlying funds will fluctuate due to changes in the prevailing levels of market interest rates.

e) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund has no direct exposure to credit risk. The greatest indirect concentration of credit risk is in debt securities, such as bonds, held by underlying funds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer.

f) Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. For the instruments held by the Fund, maximum risk of loss is equivalent to their fair value. The Fund Manager moderates this risk through a careful selection of underlying funds within the parameters of the investment strategy.

g) Fair Value Classification

Investment Fund Units are recorded at fair value, which is the closing NAV per unit of the underlying fund. This valuation is considered to be a Level 1 classification.

Maxxum Canadian Balanced Fund (Mackenzie) SF519

Supplemental Information (unaudited)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾

For the years ended December 31	2023	2022	2021	2020	2019
75/75 guarantee policy	2.60	2.65	2.70	2.70	2.70
75/100 guarantee policy	2.92	2.92	2.91	2.91	2.91
100/100 guarantee policy	2.98	3.03	3.08	3.08	3.08
PS1 75/75 guarantee policy	2.25	2.30	2.34	2.32	2.32
PS1 75/100 guarantee policy	2.41	2.46	2.50	2.48	2.48
PS1 100/100 guarantee policy	2.63	2.68	2.73	2.71	2.71
PS 75/75 guarantee policy	1.49	1.50	1.58	1.60	1.59
PS 75/100 guarantee policy	1.81	1.81	1.79	1.80	1.80
PPS 75/75 guarantee policy	1.14	1.18	1.24	1.21	1.21
PPS 75/100 guarantee policy	1.31	1.35	1.40	1.38	1.38

Unsubsidized Management Expense Ratio (%) ⁽²⁾

For the years ended December 31	2023	2022	2021	2020	2019
PS1 75/75 guarantee policy	2.25	2.30	2.34	2.35	2.35
PS1 75/100 guarantee policy	2.41	2.46	2.50	2.51	2.51
PS1 100/100 guarantee policy	2.63	2.68	2.73	2.74	2.74
PPS 75/75 guarantee policy	1.14	1.18	1.24	1.24	1.24
PPS 75/100 guarantee policy	1.31	1.35	1.40	1.41	1.41

Portfolio Turnover Rate (%) ⁽³⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	7.75	15.24	114.89	11.22	123.82

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The Company has waived a portion of the fees for the Preferred Series 1 and Preferred Partner Series guarantee policies. There is no obligation for the Company to continue waiving these fees and it may cease to do so at any time without notice.

(3) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
SAXON BALANCED FUND (MACKENZIE) SF520

December 31, 2023

Independent Auditor's Report

To the Contractholders of Saxon Balanced Fund (Mackenzie) SF520 (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

Saxon Balanced Fund (Mackenzie) SF520

(in Canadian \$ thousands)

Fund Manager: Mackenzie Investments

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ —	\$ —
Investment income due and accrued	—	—
Due from The Canada Life Assurance Company (note 8)	—	—
Due from brokers	5	1
Due from outside parties	—	—
Investments		
Investment fund units (note 3)	19,015	20,982
Total investments	19,015	20,982
Total assets	\$ 19,020	\$ 20,983
Liabilities		
Overdrafts	\$ 5	\$ 1
Due to The Canada Life Assurance Company (note 8)	9	4
Due to brokers	—	—
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	14	5
Net assets attributable to contractholders	\$ 19,006	\$ 20,978

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 2,075	\$ (2,226)
Miscellaneous income (loss)	—	—
Total income (loss)	2,075	(2,226)
Expenses		
Management fees (note 8)	449	516
Other	44	51
Total expenses	493	567
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 1,582	\$ (2,793)

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year		
	\$ 20,978	\$ 25,702
Contractholder deposits	97	481
Contractholder withdrawals	(3,651)	(2,412)
Increase (decrease) in net assets from operations attributable to contractholders	1,582	(2,793)
Change in net assets attributable to contractholders	(1,972)	(4,724)
Net assets attributable to contractholders - end of year	\$ 19,006	\$ 20,978

Saxon Balanced Fund (Mackenzie) SF520

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 1,582	\$ (2,793)
Adjustments		
Realized (gains) losses	(517)	(262)
Unrealized (gains) losses	(827)	2,638
Gross proceeds of disposition of investments	4,232	2,918
Gross payments for the purchase of investments	(190)	(407)
Distribution income of underlying mutual fund	(731)	(150)
Change in due from/to The Canada Life Assurance Company	5	(13)
Change in due from/to brokers	(4)	6
	<u>3,550</u>	<u>1,937</u>
Financing Activities		
Contractholder deposits	97	481
Contractholder withdrawals	(3,651)	(2,412)
	<u>(3,554)</u>	<u>(1,931)</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	(4)	6
Cash, short-term deposits and overdrafts, beginning of year	(1)	(7)
Cash, short-term deposits and overdrafts, end of year	\$ (5)	\$ (1)

Saxon Balanced Fund (Mackenzie) SF520

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units)

As at December 31, 2023

	<u>No. of Units</u>	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units			
Mackenzie Bluewater Canadian Growth Balanced Fund Series S *	1,547,729	16,426	19,015
Total Investments		16,426	19,015

Top 25 Holdings

Security Description	% of Total
Cash and short-term deposits	5.74%
Intact Financial Corp.	3.42%
Stantec Inc.	3.42%
CAE Inc.	3.30%
Province of Ontario 3.65% 06-02-2033	3.13%
Royal Bank of Canada	2.92%
Schneider Electric SE	2.79%
Premium Brands Holdings Corp.	2.72%
Accenture PLC Class A	2.70%
Boyd Group Services Inc.	2.55%
Thomson Reuters Corp.	2.53%
Dollarama Inc.	2.51%
Aon Corp.	2.38%
Microsoft Corp.	2.15%
Waste Connections Inc.	2.01%
Becton, Dickinson and Co.	1.98%
Synopsys Inc.	1.92%
Linde PLC	1.78%
PepsiCo Inc.	1.69%
Roper Technologies Inc.	1.67%
TELUS Corp.	1.61%
Nutrien Ltd.	1.52%
S&P Global Inc.	1.52%
Government of Canada 2.50% 12-01-2032	1.48%
ON Semiconductor Corp.	1.48%

*The issuer of this security is a related company to the issuer of the Fund.

Saxon Balanced Fund (Mackenzie) SF520

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Net Assets Attributable to Contractholders by Category

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
75/75 guarantee policy	91,909	123,442	139,101	152,217	194,292	1,532	1,903	2,409	2,332	2,717
75/100 guarantee policy	669,680	811,510	910,863	1,044,003	1,222,629	10,985	12,328	15,576	15,823	16,954
100/100 guarantee policy	57,861	69,677	82,389	100,125	122,578	929	1,037	1,383	1,492	1,674
PS1 75/75 guarantee policy	41,162	42,597	39,751	52,240	44,405	791	754	787	912	705
PS1 75/100 guarantee policy	187,496	214,865	220,593	219,510	295,328	3,538	3,740	4,305	3,782	4,636
PS1 100/100 guarantee policy	19,773	20,275	13,709	6,102	10,500	364	344	262	103	162
PS2 75/75 guarantee policy	9,734	10,220	9,235	10,090	11,086	245	231	229	215	210
PS2 75/100 guarantee policy	24,751	28,286	30,298	31,556	37,686	622	641	751	673	715
PS 75/100 guarantee policy	—	—	—	—	846	—	—	—	—	9

Net Assets Attributable to Contractholders Per Unit (note 7)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
75/75 guarantee policy	16.67	15.42	17.32	15.32	13.99	1.25	(1.90)
75/100 guarantee policy	16.40	15.19	17.10	15.16	13.87	1.21	(1.91)
100/100 guarantee policy	16.05	14.89	16.78	14.90	13.66	1.16	(1.89)
PS1 75/75 guarantee policy	19.22	17.70	19.81	17.46	15.88	1.52	(2.11)
PS1 75/100 guarantee policy	18.87	17.41	19.52	17.23	15.70	1.46	(2.11)
PS1 100/100 guarantee policy	18.38	16.99	19.09	16.89	15.42	1.39	(2.10)
PS2 75/75 guarantee policy	25.12	22.64	24.78	21.33	18.96	2.48	(2.14)
PS2 75/100 guarantee policy	25.14	22.65	24.79	21.34	18.97	2.49	(2.14)
PS 75/100 guarantee policy	—	—	—	—	10.81	—	—

Saxon Balanced Fund (Mackenzie) SF520

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Saxon Balanced Fund (Mackenzie) SF520 (the Fund) is offered by The Canada Life Assurance Company (Canada Life or the Company).

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

Saxon Balanced Fund (Mackenzie) SF520

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

Saxon Balanced Fund (Mackenzie) SF520

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in note 9 on Financial Instrument Risk Management.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

Saxon Balanced Fund (Mackenzie) SF520

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Investment Fund Units

Investment fund units are recorded at fair value, which is the closing net asset value (NAV) per unit of the underlying fund.

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Saxon Balanced Fund (Mackenzie) SF520

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

Saxon Balanced Fund (Mackenzie) SF520

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

k) Income Allocation

Net gain (loss) on investments, which includes realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the NAV per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

3. INVESTMENT FUND UNITS

Investment fund units of the Fund invest solely in underlying mutual funds.

As the Fund's assets are invested in underlying investment funds, the Fund indirectly pays management fees and operating expenses of the underlying funds. All such charges are included in the management expense ratio of the segregated funds.

Distributions of income from the underlying investment funds are shown as net gain (loss) on investments on the Statement of Comprehensive Income.

Investment activity of the underlying fund indirectly exposes the Fund to financial risk. See note 9 on Financial Instrument Risk Management.

Investments in unconsolidated structured entities

The Company has determined that the Fund meets the definition of an investment entity and as such, accounts for its holdings in unlisted open-ended investment funds at FVTPL. The Company has concluded that the underlying funds in which the Fund invests, but do not consolidate, meet the definition of structured entities because: (i) the voting rights in the underlying funds are not dominant rights in deciding who controls them; (ii) each underlying fund's activities are restricted by its prospectus; and (iii) the underlying funds have narrow and well-defined objectives to provide investment opportunities to investors.

Saxon Balanced Fund (Mackenzie) SF520

Notes to the Financial Statements

(in Canadian \$ thousands)

4. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Emperor,
- Flex,
- Generations/Mosaic,
- Generations I,
- Generations II,
- Generations Core,
- Prestige/Prestige Plus, and
- Private Collections.

In addition to the Individual units, units are available for:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

The categories of units are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

Saxon Balanced Fund (Mackenzie) SF520

Notes to the Financial Statements

(in Canadian \$ thousands)

5. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

6. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

7. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

Saxon Balanced Fund (Mackenzie) SF520

Notes to the Financial Statements

(in Canadian \$ thousands)

8. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.
- c) The Fund invests in assets or underlying funds managed by Mackenzie Financial Corporation, which operates as Mackenzie Investments. All investment transactions with the corresponding underlying funds are at quoted market prices.

Saxon Balanced Fund (Mackenzie) SF520

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT

a) Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023. The following sections describe the significant risks that are relevant to the Fund.

To assist with managing risk, the Fund Manager maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and securities regulations. Financial statements for the underlying funds, which include discussions about their respective risk exposure, are available upon request.

b) Liquidity Risk

Liquidity risk arises when a Fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units. As the Fund primarily invests all of its net assets in the underlying funds, liquidity risk is mitigated by the underlying funds' ability to meet the obligation to fund daily cash redemptions of their redeemable units/shares. In addition, the underlying funds retain sufficient cash and cash equivalent positions to maintain adequate liquidity.

c) Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The Fund's investments in all underlying funds are denominated in Canadian dollars. However, the Fund is indirectly exposed to currency risk to the extent that the investments of the underlying funds are denominated or traded in a foreign currency.

d) Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund does not directly hold any interest-bearing financial instruments. The Fund is indirectly exposed to the risk that the value of interest-bearing financial instruments held by the underlying funds will fluctuate due to changes in the prevailing levels of market interest rates.

e) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund has no direct exposure to credit risk. The greatest indirect concentration of credit risk is in debt securities, such as bonds, held by underlying funds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer.

f) Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. For the instruments held by the Fund, maximum risk of loss is equivalent to their fair value. The Fund Manager moderates this risk through a careful selection of underlying funds within the parameters of the investment strategy.

g) Fair Value Classification

Investment Fund Units are recorded at fair value, which is the closing NAV per unit of the underlying fund. This valuation is considered to be a Level 1 classification.

Saxon Balanced Fund (Mackenzie) SF520

Supplemental Information (unaudited)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾

For the years ended December 31	2023	2022	2021	2020	2019
75/75 guarantee policy	2.58	2.63	2.69	2.69	2.69
75/100 guarantee policy	2.74	2.81	2.90	2.90	2.90
100/100 guarantee policy	2.89	2.98	3.07	3.07	3.06
PS1 75/75 guarantee policy	2.18	2.24	2.35	2.31	2.30
PS1 75/100 guarantee policy	2.34	2.41	2.51	2.48	2.47
PS1 100/100 guarantee policy	2.56	2.63	2.71	2.71	2.70
PS 75/100 guarantee policy	—	—	—	—	1.77

Unsubsidized Management Expense Ratio (%) ⁽²⁾

For the years ended December 31	2023	2022	2021	2020	2019
PS1 75/75 guarantee policy	2.18	2.24	2.35	2.34	2.33
PS1 75/100 guarantee policy	2.34	2.41	2.51	2.51	2.50
PS1 100/100 guarantee policy	2.56	2.63	2.71	2.74	2.73

Portfolio Turnover Rate (%) ⁽³⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	0.95	1.82	0.56	1.65	23.78

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The Company has waived a portion of the fees for the Preferred Series 1 and Preferred Partner Series guarantee policies. There is no obligation for the Company to continue waiving these fees and it may cease to do so at any time without notice.

(3) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
SENTINEL INCOME FUND (MACKENZIE) SF521

December 31, 2023

Independent Auditor's Report

To the Contractholders of Sentinel Income Fund (Mackenzie) SF521 (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

Sentinel Income Fund (Mackenzie) SF521

(in Canadian \$ thousands)

Fund Manager: Mackenzie Investments

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ —	\$ —
Investment income due and accrued	—	—
Due from The Canada Life Assurance Company (note 8)	—	—
Due from brokers	55	177
Due from outside parties	—	—
Investments		
Investment fund units (note 3)	287,987	347,706
Total investments	287,987	347,706
Total assets	\$ 288,042	\$ 347,883
Liabilities		
Overdrafts	\$ 223	\$ 217
Due to The Canada Life Assurance Company (note 8)	57	112
Due to brokers	—	—
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	280	329
Net assets attributable to contractholders	\$ 287,762	\$ 347,554

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 24,574	\$ (37,093)
Miscellaneous income (loss)	—	—
Total income (loss)	24,574	(37,093)
Expenses		
Management fees (note 8)	5,524	6,890
Other	641	803
Total expenses	6,165	7,693
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 18,409	\$ (44,786)

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year	\$ 347,554	\$ 409,254
Contractholder deposits	130	26,594
Contractholder withdrawals	(78,331)	(43,508)
Increase (decrease) in net assets from operations attributable to contractholders	18,409	(44,786)
Change in net assets attributable to contractholders	(59,792)	(61,700)
Net assets attributable to contractholders - end of year	\$ 287,762	\$ 347,554

Sentinel Income Fund (Mackenzie) SF521

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 18,409	\$ (44,786)
Adjustments		
Realized (gains) losses	6,494	5,346
Unrealized (gains) losses	(19,887)	43,452
Gross proceeds of disposition of investments	84,392	68,332
Gross payments for the purchase of investments	(99)	(44,157)
Distribution income of underlying mutual fund	(11,181)	(11,705)
Change in due from/to The Canada Life Assurance Company	(55)	234
Change in due from/to brokers	122	(547)
	<u>78,195</u>	<u>16,169</u>
Financing Activities		
Contractholder deposits	130	26,594
Contractholder withdrawals	(78,331)	(43,508)
	<u>(78,201)</u>	<u>(16,914)</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	(6)	(745)
Cash, short-term deposits and overdrafts, beginning of year	(217)	528
Cash, short-term deposits and overdrafts, end of year	\$ (223)	\$ (217)

Sentinel Income Fund (Mackenzie) SF521

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units)

As at December 31, 2023

	<u>No. of Units</u>	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units			
Mackenzie Income Fund Series S *	35,061,417	299,693	287,987
Total Investments		299,693	287,987

Top 25 Holdings

Security Description	% of Total
Cash and short-term deposits	4.93%
Province of Ontario 3.65% 06-02-2033	4.13%
Province of Quebec 3.60% 09-01-2033	2.84%
Province of Quebec 4.40% 12-01-2055	2.74%
Mackenzie Canadian Aggregate Bond Index ETF *	2.07%
United States Treasury Inflation Index 0.50% 04-15-2024 Real Return	1.34%
Province of Ontario 4.15% 12-02-2054	1.15%
Mackenzie Credit Absolute Return Fund Series R *	1.12%
Province of Alberta 3.10% 06-01-2050	1.08%
Royal Bank of Canada	1.08%
Province of Alberta 2.95% 06-01-2052	1.04%
Canada Housing Trust No. 1 2.90% 06-15-2024	0.93%
Bank of Montreal	0.89%
Rogers Communications Inc. 5.00% 12-17-2081	0.73%
The Toronto-Dominion Bank	0.73%
United States Treasury Inflation Index 1.50% 02-15-2053 Real Return	0.71%
Microsoft Corp.	0.69%
Canadian Natural Resources Ltd.	0.66%
Government of Canada 0.50% 12-01-2050 Real Return	0.64%
Canadian Pacific Kansas City Ltd.	0.60%
Mackenzie Global Sustainable Bond ETF *	0.60%
Mackenzie Canadian Government Long Bond Index ETF *	0.58%
Enbridge Inc. 5.375% 09-27-2077	0.55%
Canadian National Railway Co.	0.52%
United States Treasury Inflation Index 0.125% 02-15-2052 Real Return	0.52%

*The issuer of this security is a related company to the issuer of the Fund.

Sentinel Income Fund (Mackenzie) SF521

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Net Assets Attributable to Contractholders by Category

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
75/75 guarantee policy	2,136,111	2,737,809	3,007,019	1,729,101	785,515	32,134	38,849	47,680	26,570	11,329
75/100 guarantee policy	8,135,886	10,037,888	10,467,270	6,463,007	3,325,445	121,292	141,237	164,664	98,584	47,636
100/100 guarantee policy	206,907	288,903	338,190	292,999	282,226	3,036	4,003	5,242	4,406	3,988
PS1 75/75 guarantee policy	1,642,955	2,239,879	2,682,395	1,163,008	226,259	24,539	31,499	42,073	17,645	3,215
PS1 75/100 guarantee policy	4,661,102	6,215,457	5,873,049	2,694,592	1,048,152	69,205	86,935	91,673	40,707	14,838
PS1 100/100 guarantee policy	21,275	52,487	136,527	85,879	87,812	311	723	2,101	1,280	1,227
PS2 75/75 guarantee policy	86,880	152,100	132,206	47,935	49,729	1,655	2,673	2,539	872	830
PS2 75/100 guarantee policy	596,919	695,708	696,309	429,807	370,256	11,400	12,257	13,403	7,837	6,196
PS2 100/100 guarantee policy	—	9,783	9,924	52,965	10,230	—	172	191	965	171
PS 75/75 guarantee policy	116,681	181,839	215,325	132,910	67,841	1,373	1,997	2,613	1,546	732
PS 75/100 guarantee policy	1,165,414	1,480,938	1,646,314	958,339	471,647	13,678	16,224	19,941	11,131	5,088
PPS 75/75 guarantee policy	219,678	289,870	364,355	151,603	28,902	2,615	3,212	4,454	1,773	313
PPS 75/100 guarantee policy	549,108	702,503	906,606	286,543	196,172	6,515	7,765	11,059	3,346	2,123
PPS 100/100 guarantee policy	741	745	133,107	8,058	—	9	8	1,621	94	—

Net Assets Attributable to Contractholders Per Unit (note 7)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
75/75 guarantee policy	15.04	14.19	15.86	15.37	14.42	0.85	(1.67)
75/100 guarantee policy	14.91	14.07	15.73	15.25	14.32	0.84	(1.66)
100/100 guarantee policy	14.67	13.86	15.50	15.04	14.13	0.81	(1.64)
PS1 75/75 guarantee policy	14.94	14.06	15.68	15.17	14.21	0.88	(1.62)
PS1 75/100 guarantee policy	14.85	13.99	15.61	15.11	14.16	0.86	(1.62)
PS1 100/100 guarantee policy	14.62	13.78	15.39	14.90	13.97	0.84	(1.61)
PS2 75/75 guarantee policy	19.05	17.58	19.20	18.19	16.69	1.47	(1.62)
PS2 75/100 guarantee policy	19.10	17.62	19.25	18.23	16.73	1.48	(1.63)
PS2 100/100 guarantee policy	—	17.60	19.23	18.22	16.72	—	(1.63)
PS 75/75 guarantee policy	11.77	10.98	12.14	11.63	10.80	0.79	(1.16)
PS 75/100 guarantee policy	11.74	10.95	12.11	11.61	10.79	0.79	(1.16)
PPS 75/75 guarantee policy	11.90	11.08	12.22	11.69	10.83	0.82	(1.14)
PPS 75/100 guarantee policy	11.86	11.05	12.20	11.68	10.82	0.81	(1.15)
PPS 100/100 guarantee policy	11.83	11.03	12.18	11.66	—	0.80	(1.15)

Sentinel Income Fund (Mackenzie) SF521

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Sentinel Income Fund (Mackenzie) SF521 (the Fund) is offered by The Canada Life Assurance Company (Canada Life or the Company).

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

Sentinel Income Fund (Mackenzie) SF521

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

Sentinel Income Fund (Mackenzie) SF521

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in note 9 on Financial Instrument Risk Management.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

Sentinel Income Fund (Mackenzie) SF521

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Investment Fund Units

Investment fund units are recorded at fair value, which is the closing net asset value (NAV) per unit of the underlying fund.

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Sentinel Income Fund (Mackenzie) SF521

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

Sentinel Income Fund (Mackenzie) SF521

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

k) Income Allocation

Net gain (loss) on investments, which includes realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the NAV per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

3. INVESTMENT FUND UNITS

Investment fund units of the Fund invest solely in underlying mutual funds.

As the Fund's assets are invested in underlying investment funds, the Fund indirectly pays management fees and operating expenses of the underlying funds. All such charges are included in the management expense ratio of the segregated funds.

Distributions of income from the underlying investment funds are shown as net gain (loss) on investments on the Statement of Comprehensive Income.

Investment activity of the underlying fund indirectly exposes the Fund to financial risk. See note 9 on Financial Instrument Risk Management.

Investments in unconsolidated structured entities

The Company has determined that the Fund meets the definition of an investment entity and as such, accounts for its holdings in unlisted open-ended investment funds at FVTPL. The Company has concluded that the underlying funds in which the Fund invests, but do not consolidate, meet the definition of structured entities because: (i) the voting rights in the underlying funds are not dominant rights in deciding who controls them; (ii) each underlying fund's activities are restricted by its prospectus; and (iii) the underlying funds have narrow and well-defined objectives to provide investment opportunities to investors.

Sentinel Income Fund (Mackenzie) SF521

Notes to the Financial Statements

(in Canadian \$ thousands)

4. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Emperor,
- Flex,
- Generations/Mosaic,
- Generations I,
- Generations II,
- Generations Core,
- Prestige/Prestige Plus, and
- Private Collections.

In addition to the Individual units, units are available for:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

The categories of units are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

Sentinel Income Fund (Mackenzie) SF521

Notes to the Financial Statements

(in Canadian \$ thousands)

5. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

6. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

7. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

Sentinel Income Fund (Mackenzie) SF521

Notes to the Financial Statements

(in Canadian \$ thousands)

8. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.
- c) The Fund invests in assets or underlying funds managed by Mackenzie Financial Corporation, which operates as Mackenzie Investments. All investment transactions with the corresponding underlying funds are at quoted market prices.

Sentinel Income Fund (Mackenzie) SF521

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT

a) Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023. The following sections describe the significant risks that are relevant to the Fund.

To assist with managing risk, the Fund Manager maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and securities regulations. Financial statements for the underlying funds, which include discussions about their respective risk exposure, are available upon request.

b) Liquidity Risk

Liquidity risk arises when a Fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units. As the Fund primarily invests all of its net assets in the underlying funds, liquidity risk is mitigated by the underlying funds' ability to meet the obligation to fund daily cash redemptions of their redeemable units/shares. In addition, the underlying funds retain sufficient cash and cash equivalent positions to maintain adequate liquidity.

c) Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The Fund's investments in all underlying funds are denominated in Canadian dollars. However, the Fund is indirectly exposed to currency risk to the extent that the investments of the underlying funds are denominated or traded in a foreign currency.

d) Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund does not directly hold any interest-bearing financial instruments. The Fund is indirectly exposed to the risk that the value of interest-bearing financial instruments held by the underlying funds will fluctuate due to changes in the prevailing levels of market interest rates.

e) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund has no direct exposure to credit risk. The greatest indirect concentration of credit risk is in debt securities, such as bonds, held by underlying funds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer.

f) Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. For the instruments held by the Fund, maximum risk of loss is equivalent to their fair value. The Fund Manager moderates this risk through a careful selection of underlying funds within the parameters of the investment strategy.

g) Fair Value Classification

Investment Fund Units are recorded at fair value, which is the closing NAV per unit of the underlying fund. This valuation is considered to be a Level 1 classification.

Sentinel Income Fund (Mackenzie) SF521

Supplemental Information (unaudited)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾

For the years ended December 31	2023	2022	2021	2020	2019
75/75 guarantee policy	2.23	2.26	2.26	2.25	2.24
75/100 guarantee policy	2.28	2.31	2.32	2.30	2.30
100/100 guarantee policy	2.34	2.37	2.38	2.36	2.35
PS1 75/75 guarantee policy	2.04	2.07	2.08	2.03	2.02
PS1 75/100 guarantee policy	2.10	2.12	2.13	2.08	2.08
PS1 100/100 guarantee policy	2.15	2.21	2.19	2.15	2.14
PS 75/75 guarantee policy	1.12	1.14	1.16	1.15	1.14
PS 75/100 guarantee policy	1.17	1.20	1.21	1.20	1.19
PPS 75/75 guarantee policy	0.93	0.96	0.97	0.93	0.91
PPS 75/100 guarantee policy	0.99	1.01	1.02	0.99	0.98
PPS 100/100 guarantee policy	1.04	1.11	1.07	1.05	—

Unsubsidized Management Expense Ratio (%) ⁽²⁾

For the years ended December 31	2023	2022	2021	2020	2019
PS1 75/75 guarantee policy	2.04	2.07	2.08	2.06	2.05
PS1 75/100 guarantee policy	2.10	2.12	2.13	2.11	2.11
PS1 100/100 guarantee policy	2.15	2.21	2.19	2.18	2.17
PPS 75/75 guarantee policy	0.93	0.96	0.97	0.96	0.94
PPS 75/100 guarantee policy	0.99	1.01	1.02	1.02	1.01
PPS 100/100 guarantee policy	1.04	1.11	1.07	1.08	—

Portfolio Turnover Rate (%) ⁽³⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	0.03	11.47	1.68	4.14	4.53

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The Company has waived a portion of the fees for the Preferred Series 1 and Preferred Partner Series guarantee policies. There is no obligation for the Company to continue waiving these fees and it may cease to do so at any time without notice.

(3) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
U.S. DIVIDEND FUND (GWLIM) SF522

December 31, 2023

Independent Auditor's Report

To the Contractholders of U.S. Dividend Fund (GWLIM) SF522 (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

U.S. Dividend Fund (GWLIM) SF522

(in Canadian \$ thousands)

Fund Manager: Mackenzie Investments

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ 3,346	\$ 13,349
Investment income due and accrued	279	393
Due from The Canada Life Assurance Company (note 7)	—	1
Due from brokers	—	—
Due from outside parties	1	—
Investments		
Bonds	—	—
Stocks	405,035	356,517
Investment fund units	—	—
Total investments	405,035	356,517
Total assets	\$ 408,661	\$ 370,260
Liabilities		
Overdrafts	\$ —	\$ —
Due to The Canada Life Assurance Company (note 7)	61	—
Due to brokers	—	—
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	61	—
Net assets attributable to contractholders	\$ 408,600	\$ 370,260

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 42,233	\$ (6,865)
Miscellaneous income (loss)	(51)	303
Total income (loss)	42,182	(6,562)
Expenses		
Management fees (note 7)	8,180	7,458
Transaction costs	141	148
Withholding taxes	1,141	1,118
Other	834	754
Total expenses	10,296	9,478
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 31,886	\$ (16,040)

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year	\$ 370,260	\$ 321,066
Contractholder deposits	48,721	97,023
Contractholder withdrawals	(42,267)	(31,789)
Increase (decrease) in net assets from operations attributable to contractholders	31,886	(16,040)
Change in net assets attributable to contractholders	38,340	49,194
Net assets attributable to contractholders - end of year	\$ 408,600	\$ 370,260

U.S. Dividend Fund (GWLIM) SF522

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 31,886	\$ (16,040)
Adjustments		
Realized (gains) losses	(6,896)	(6,661)
Unrealized (gains) losses	(26,726)	22,061
Gross proceeds of disposition of investments	168,708	185,084
Gross payments for the purchase of investments	(183,604)	(241,456)
Change in investment income due and accrued	114	(108)
Change in due from/to The Canada Life Assurance Company	62	85
Change in due from/to brokers	—	—
Change in due from/to outside parties	(1)	—
	<u>(16,457)</u>	<u>(57,035)</u>
Financing Activities		
Contractholder deposits	48,721	97,023
Contractholder withdrawals	(42,267)	(31,789)
	<u>6,454</u>	<u>65,234</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	(10,003)	8,199
Cash, short-term deposits and overdrafts, beginning of year	13,349	5,150
Cash, short-term deposits and overdrafts, end of year	\$ 3,346	\$ 13,349
Supplementary cash flow information		
Dividend income received	\$ 8,331	\$ 8,119

U.S. Dividend Fund (GWLIM) SF522

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or <u>Par Value</u>	Average <u>Cost</u>	Fair <u>Value</u>
United States Common Stock			
Communication Services			
Alphabet Inc. Class A	88,893	14,115	16,453
AT&T Inc.	209,773	5,504	4,664
Consumer Discretionary			
Amazon.com Inc.	55,150	8,892	11,102
Dick's Sporting Goods Inc.	27,320	4,401	5,320
McDonald's Corp.	26,714	7,750	10,496
Polo Ralph Lauren Corp. Class A	6,359	1,250	1,215
Texas Roadhouse Inc.	41,799	5,592	6,770
The Home Depot Inc.	13,188	5,860	6,056
The TJX Companies Inc.	65,637	5,559	8,159
Consumer Staples			
Constellation Brands Inc. Class A	15,895	4,661	5,092
Mondelez International Inc.	54,022	4,269	5,185
The Coca-Cola Co.	81,782	6,512	6,386
Walmart Inc.	37,017	6,367	7,733
Energy			
Chesapeake Energy Corp.	24,001	2,351	2,447
Chevron Corp.	21,727	3,367	4,294
Diamondback Energy Inc.	27,145	3,419	5,578
Exxon Mobil Corp.	64,253	7,794	8,512
NOV Inc.	74,532	2,375	2,003
The Williams Companies Inc.	49,015	2,111	2,262
Financials			
Apple Hospitality REIT Inc.	165,167	3,821	3,635
Arthur J. Gallagher & Co.	26,856	5,690	8,002
Bank of America Corp.	117,031	5,047	5,221
BlackRock Inc.	5,953	5,428	6,403
JPMorgan Chase & Co.	41,617	6,325	9,380
Morgan Stanley	52,245	5,080	6,455
The Blackstone Group Inc.	42,114	5,295	7,306
Health Care			
AbbVie Inc.	34,873	5,639	7,161

U.S. Dividend Fund (GWLIM) SF522

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or <u>Par Value</u>	Average <u>Cost</u>	Fair <u>Value</u>
United States Common Stock (continued)			
Health Care (continued)			
Boston Scientific Corp.	98,786	6,638	7,567
Elevance Health Inc.	10,306	5,359	6,440
Eli Lilly and Co.	13,347	5,144	10,309
Johnson & Johnson Inc.	27,916	5,457	5,798
Merck & Co. Inc.	58,760	6,662	8,488
Zimmer Holdings Inc.	29,125	5,489	4,697
Industrials			
Honeywell International Inc.	12,532	2,976	3,484
Jacobs Solutions Inc.	29,996	5,122	5,159
Northrop Grumman Corp.	5,458	3,507	3,386
Old Dominion Freight Line Inc.	7,406	3,846	3,978
Parker Hannifin Corp.	14,969	7,059	9,138
Republic Services Inc.	30,233	5,179	6,606
Union Pacific Corp.	16,644	5,231	5,417
Information Technology			
Analog Devices Inc.	42,138	9,352	11,085
Apple Inc.	50,896	9,520	12,983
Broadcom Inc.	9,675	5,758	14,309
Cadence Design Systems Inc.	19,800	5,511	7,146
Cisco Systems Inc.	86,629	5,047	5,799
IBM Corp.	29,555	5,593	6,405
Lam Research Corp.	5,482	4,396	5,689
Mastercard Inc. Class A	17,503	9,019	9,892
Microsoft Corp.	52,005	18,388	25,911
Motorola Solutions Inc.	20,308	5,816	8,425
NVIDIA Corp.	5,454	1,858	3,579
NXP Semiconductors NV	13,770	3,861	4,191
ServiceNow Inc.	2,764	2,287	2,587
Materials			
Agnico Eagle Mines Ltd.	55,982	4,039	4,069
Real Estate			
Iron Mountain Inc.	31,198	2,701	2,893

U.S. Dividend Fund (GWLIM) SF522

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or <u>Par Value</u>	Average <u>Cost</u>	Fair <u>Value</u>
United States Common Stock (continued)			
Utilities			
Sempra	76,418	6,951	7,567
Total United States Common Stock		312,240	386,287
Global Common Stock			
Ireland			
Accenture PLC Class A	13,355	4,589	6,210
Eaton Corp. PLC	39,292	6,818	12,538
Total Global Common Stock		11,407	18,748
Total Stocks		323,647	405,035
Transaction Costs (note 2)		(102)	
Total Investments		323,545	405,035

U.S. Dividend Fund (GWLIM) SF522

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

Introduction

The objective of the U.S. Dividend Fund (GWLIM) SF522 (the Fund) in managing risk is the creation and protection of contractholder value. Risk is inherent in the Fund's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. The process of risk management is critical to the Fund's continuing profitability. The Fund can be exposed to liquidity risk, market risk (which includes currency risk, interest rate risk and other price risk) and credit risk arising from the financial instruments it holds.

A. Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023, and groups the securities by asset type, geographic region and/or market segment. The following sections describe the significant risks that are relevant to the Fund.

To assist with managing risk, The Canada Life Assurance Company (Canada Life or the Company) maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and other regulations.

B. Liquidity Risk

Liquidity risk arises when a fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units by contractholders. The Fund retains sufficient cash and cash equivalent positions to maintain adequate liquidity to meet the obligation to fund daily cash redemptions of their redeemable units.

Some securities are illiquid due to legal restrictions on their resale, the nature of the investment, or simply a lack of interested buyers for a particular security or security type. Certain securities may become less liquid due to changes in market conditions, such as interest rate changes or market volatility, which could impair the ability of a fund to sell such securities quickly.

In accordance with the Fund's policy, the Company monitors the Fund's liquidity positions on a regular basis.

C. Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The classifications used on the Schedule of Investment Portfolio for the financial instruments are based on the country of issue.

The table below indicates the foreign currencies to which the Fund had significant exposure as at December 31, 2023 in Canadian dollar terms, including the underlying principal amount of forward currency contracts, if any. The table also illustrates the potential impact to the Fund's net assets attributable to contractholders, all other variables held constant, as a result of a 1% change in these currencies relative to the Canadian dollar. In practice, the actual results may differ from this sensitivity analysis and the difference could be significant.

2023

Currency	Investments	Cash, Short-term Deposits and Overdrafts	Total*	Impact on Net Assets Attributable to Contractholders
United States Dollar	\$ 405,035	\$ (32)	\$ 405,003	\$ 4,050
Total	\$ 405,035	\$ (32)	\$ 405,003	\$ 4,050
As Percent of Net Assets Attributable to Contractholders			99.1%	1.0%

*Includes both monetary and non-monetary instruments

U.S. Dividend Fund (GWLIM) SF522

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

C. Currency Risk (continued)

2022

Currency	Investments	Cash, Short-term Deposits and Overdrafts	Total*	Impact on Net Assets Attributable to Contractholders
United States Dollar	\$ 356,517	\$ 168	\$ 356,685	\$ 3,567
Total	\$ 356,517	\$ 168	\$ 356,685	\$ 3,567
As Percent of Net Assets Attributable to Contractholders			96.3%	1.0%

*Includes both monetary and non-monetary instruments

D. Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. The Fund Manager moderates this risk through careful selection of securities and other financial instruments within the parameters of the investment strategy. The maximum risk resulting from financial instruments is equivalent to their fair value.

For the Fund, the most significant exposure to other price risk arises from its investment in equity securities. As at December 31, 2023, had the prices on the respective stock exchanges for these securities increased or decreased by 1%, with all other variables held constant, assets would have increased (or decreased) by approximately \$4,050 (\$3,565 at December 31, 2022) or approximately 1.0% (1.0% at December 31, 2022) of total net assets attributable to contractholders. In practice, the actual results may differ and the difference could be significant.

E. Fair Value Classification

The following table presents information about the Fund's assets measured at fair value on a recurring basis and indicates the fair value hierarchy of the valuation techniques utilized by the Fund to determine such fair value:

Assets measured at fair value	2023			
	Assets Measured at Fair Value			
	Level 1	Level 2	Level 3	Total
Stocks	\$ 405,035	\$ —	\$ —	\$ 405,035
Total assets measured at fair value	\$ 405,035	\$ —	\$ —	\$ 405,035

Assets measured at fair value	2022			
	Assets Measured at Fair Value			
	Level 1	Level 2	Level 3	Total
Stocks	\$ 356,517	\$ —	\$ —	\$ 356,517
Total assets measured at fair value	\$ 356,517	\$ —	\$ —	\$ 356,517

There were no significant transfers between Level 1 and Level 2 during 2023 or 2022.

U.S. Dividend Fund (GWLIM) SF522

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Net Assets Attributable to Contractholders by Category

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
75/75 guarantee policy	2,135,143	2,121,100	1,772,107	1,633,977	1,394,418	61,414	56,337	49,597	37,748	31,016
75/100 guarantee policy	4,463,791	4,441,408	3,954,232	3,567,503	3,227,257	125,813	115,848	108,922	81,292	70,959
100/100 guarantee policy	397,581	434,956	400,940	429,896	496,613	10,889	11,055	10,791	9,598	10,727
PS1 75/75 guarantee policy	1,628,302	1,614,982	1,256,080	866,771	694,751	49,255	44,904	36,634	20,772	15,958
PS1 75/100 guarantee policy	3,632,624	3,644,677	2,712,543	2,041,675	1,654,727	106,778	98,747	77,300	47,938	37,340
PS1 100/100 guarantee policy	158,544	176,287	169,379	150,434	203,664	4,472	4,601	4,668	3,429	4,479
PS2 75/75 guarantee policy	162,408	159,546	127,875	132,317	164,814	6,180	5,459	4,490	3,735	4,363
PS2 75/100 guarantee policy	548,259	539,244	449,609	341,514	363,641	20,862	18,452	15,787	9,639	9,625
PS2 100/100 guarantee policy	16,607	16,778	13,795	13,368	20,717	631	573	484	377	548
PS 75/75 guarantee policy	80,156	83,936	44,857	28,703	11,451	1,256	1,201	669	349	133
PS 75/100 guarantee policy	281,790	291,836	135,030	86,713	58,428	4,362	4,135	1,998	1,050	675
PS 100/100 guarantee policy	—	—	—	—	6,774	—	—	—	—	78
PPS 75/75 guarantee policy	236,994	256,778	132,122	54,332	5,767	3,806	3,749	2,001	669	67
PPS 75/100 guarantee policy	426,362	356,297	210,818	122,103	132,792	6,745	5,139	3,163	1,493	1,544
PPS 100/100 guarantee policy	4,045	4,214	2,589	917	31,136	63	60	38	11	360

Net Assets Attributable to Contractholders Per Unit (note 6)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
75/75 guarantee policy	28.76	26.56	27.99	23.10	22.24	2.20	(1.43)
75/100 guarantee policy	28.19	26.08	27.55	22.79	21.99	2.11	(1.47)
100/100 guarantee policy	27.39	25.42	26.91	22.33	21.60	1.97	(1.49)
PS1 75/75 guarantee policy	30.25	27.80	29.17	23.96	22.97	2.45	(1.37)
PS1 75/100 guarantee policy	29.39	27.09	28.50	23.48	22.57	2.30	(1.41)
PS1 100/100 guarantee policy	28.21	26.10	27.56	22.79	21.99	2.11	(1.46)
PS2 75/75 guarantee policy	38.05	34.22	35.11	28.22	26.47	3.83	(0.89)
PS2 75/100 guarantee policy	38.05	34.22	35.11	28.22	26.47	3.83	(0.89)
PS2 100/100 guarantee policy	38.02	34.19	35.08	28.20	26.45	3.83	(0.89)
PS 75/75 guarantee policy	15.66	14.31	14.91	12.17	11.59	1.35	(0.60)
PS 75/100 guarantee policy	15.48	14.17	14.80	12.11	11.56	1.31	(0.63)
PS 100/100 guarantee policy	—	—	—	—	11.51	—	—
PPS 75/75 guarantee policy	16.06	14.60	15.15	12.31	11.67	1.46	(0.55)
PPS 75/100 guarantee policy	15.82	14.42	15.00	12.23	11.62	1.40	(0.58)
PPS 100/100 guarantee policy	15.49	14.18	14.81	12.11	11.56	1.31	(0.63)

U.S. Dividend Fund (GWLIM) SF522

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Fund is offered by The Canada Life Assurance Company.

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

U.S. Dividend Fund (GWLIM) SF522

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

U.S. Dividend Fund (GWLIM) SF522

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in fair value measurements in the notes to the Schedule of Investment Portfolio.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

U.S. Dividend Fund (GWLIM) SF522

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) **Stocks**

Stocks are recorded at fair value determined with reference to closing quoted market prices, where the last traded price falls within the day's bid-ask spread, primarily provided by third party independent pricing sources. Fair values are determined on the basis of the closing price for a security on the recognized exchange on which it is principally traded at each reporting date. In circumstances where the last traded price is not within the bid-ask spread, the Company determines the point when the bid-ask spread that is most representative of fair value based on the specific facts and circumstances.

The fair value of unlisted securities is established using quotations determined by a major dealer in a particular security. Should the quoted value for a security, in the opinion of the Fund Manager, be inaccurate, unreliable, or not readily available, the value of the security is estimated using valuation techniques. Valuation techniques include the market approach (using recent arm's-length market transactions adjusted as necessary and reference to the current market value of another instrument that is substantially the same) and the income approach (discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible).

d) **Cash, Short-term Deposits and Overdrafts**

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) **Classification of Units Issued by the Fund**

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) **Recognition of Investments and Income**

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

Dividend income - accrued as of the ex-dividend date and recorded on the accrual basis.

U.S. Dividend Fund (GWLIM) SF522

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

Miscellaneous income (loss)

Miscellaneous income (loss) generally includes the changes in foreign exchange rates between trade and settlement dates, foreign exchange rates on bank balances, securities lending income, derivative income, and management fee rebates.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

U.S. Dividend Fund (GWLIM) SF522

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

k) Income Allocation

Net gain (loss) on investments, which includes dividend income, realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the net asset value (NAV) per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

m) Transaction Costs

Transaction costs, such as brokerage commissions, incurred in the purchase and sale of securities by the Fund are charged to expenses in the year.

U.S. Dividend Fund (GWLIM) SF522

Notes to the Financial Statements

(in Canadian \$ thousands)

3. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Emperor,
- Flex,
- Generations/Mosaic,
- Generations I,
- Generations II,
- Generations Core,
- Prestige/Prestige Plus, and
- Private Collections.

In addition to the Individual units, units are available for:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

The categories of units, and the various levels within each, are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

U.S. Dividend Fund (GWLIM) SF522

Notes to the Financial Statements

(in Canadian \$ thousands)

4. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

5. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

6. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

U.S. Dividend Fund (GWLIM) SF522

Notes to the Financial Statements

(in Canadian \$ thousands)

7. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.
- c) The Fund invests in assets or underlying funds managed by Mackenzie Financial Corporation, which operates as Mackenzie Investments. All investment transactions with the corresponding underlying funds are at quoted market prices.

U.S. Dividend Fund (GWLIM) SF522

Supplemental Information (unaudited)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾

For the years ended December 31	2023	2022	2021	2020	2019
75/75 guarantee policy	2.65	2.65	2.65	2.63	2.63
75/100 guarantee policy	2.87	2.87	2.86	2.85	2.85
100/100 guarantee policy	3.15	3.15	3.14	3.12	3.13
PS1 75/75 guarantee policy	2.20	2.19	2.19	2.18	2.18
PS1 75/100 guarantee policy	2.47	2.47	2.46	2.45	2.45
PS1 100/100 guarantee policy	2.86	2.86	2.85	2.84	2.84
PS 75/75 guarantee policy	1.56	1.55	1.55	1.54	1.54
PS 75/100 guarantee policy	1.78	1.76	1.77	1.76	1.75
PS 100/100 guarantee policy	—	—	—	—	2.03
PPS 75/75 guarantee policy	1.10	1.09	1.09	1.08	1.09
PPS 75/100 guarantee policy	1.37	1.37	1.37	1.36	1.36
PPS 100/100 guarantee policy	1.76	1.75	1.74	1.78	1.75

Portfolio Turnover Rate (%) ⁽²⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	45.80	56.47	36.03	35.17	45.27

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
FLOATING RATE INCOME FUND (MF) SF526

December 31, 2023

Independent Auditor's Report

To the Contractholders of Floating Rate Income Fund (MF) SF526 (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

Floating Rate Income Fund (MF) SF526

(in Canadian \$ thousands)

Fund Manager: Canada Life Investment Management Ltd.

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ 427	\$ 9
Investment income due and accrued	—	—
Due from The Canada Life Assurance Company (note 8)	65	—
Due from brokers	—	—
Due from outside parties	—	—
Investments		
Investment fund units (note 3)	67,970	57,809
Total investments	67,970	57,809
Total assets	\$ 68,462	\$ 57,818
Liabilities		
Overdrafts	\$ —	\$ —
Due to The Canada Life Assurance Company (note 8)	—	56
Due to brokers	59	75
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	59	131
Net assets attributable to contractholders	\$ 68,403	\$ 57,687

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 6,883	\$ (2,587)
Miscellaneous income (loss)	—	—
Total income (loss)	6,883	(2,587)
Expenses		
Management fees (note 8)	1,032	948
Other	114	105
Total expenses	1,146	1,053
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 5,737	\$ (3,640)

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year	\$ 57,687	\$ 46,688
Contractholder deposits	13,086	23,095
Contractholder withdrawals	(8,107)	(8,456)
Increase (decrease) in net assets from operations attributable to contractholders	5,737	(3,640)
Change in net assets attributable to contractholders	10,716	10,999
Net assets attributable to contractholders - end of year	\$ 68,403	\$ 57,687

Floating Rate Income Fund (MF) SF526

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 5,737	\$ (3,640)
Adjustments		
Realized (gains) losses	521	665
Unrealized (gains) losses	(908)	5,366
Gross proceeds of disposition of investments	6,859	12,125
Gross payments for the purchase of investments	(10,137)	(25,999)
Distribution income of underlying mutual fund	(6,496)	(3,444)
Change in due from/to The Canada Life Assurance Company	(121)	169
Change in due from/to brokers	(16)	(78)
	<u>(4,561)</u>	<u>(14,836)</u>
Financing Activities		
Contractholder deposits	13,086	23,095
Contractholder withdrawals	(8,107)	(8,456)
	<u>4,979</u>	<u>14,639</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	418	(197)
Cash, short-term deposits and overdrafts, beginning of year	9	206
Cash, short-term deposits and overdrafts, end of year	\$ 427	\$ 9

Floating Rate Income Fund (MF) SF526

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units)

As at December 31, 2023

	<u>No. of Units</u>	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units			
Canada Life Floating Rate Income Fund Series S *	8,316,269	72,685	67,970
Total Investments		72,685	67,970

Top 25 Holdings

Security Description	% of Total
Canada Housing Trust No. 1 Floating Rate 09-15-2026	2.00%
OpenMarket Inc. Term Loan 1st Lien Floating Rate 09-17-2026	1.64%
Hunter Douglas Inc. Term Loan B 1st Lien Floating Rate 02-25-2029	1.53%
iShares iBoxx High Yield Corporate Bond ETF	1.48%
Restaurant Brands International Inc. Term Loan 1st Lien Sr. Floating Rate 09-12-2030	1.27%
Timber Servicios Empresariales SA Term Loan B 1st Lien Floating Rate 03-29-2029	1.24%
Northleaf Private Credit II LP MI 15 *	1.16%
KP Germany Erste GmbH Term Loan B 1st Lien Floating Rate 02-04-2026	1.09%
New Fortress Energy Inc. Term Loan 1st Lien Sr. Floating Rate 10-30-2028	0.93%
Spectrum Group Buyer Inc. Term Loan B 1st Lien Floating Rate 05-11-2028	0.93%
Upfield BV Term Loan B 1st Lien Sr. Floating Rate 01-31-2028	0.92%
Jadex Inc. Term Loan 1st Lien Floating Rate 02-12-2028	0.89%
Veregy Term Loan 1st Lien Floating Rate 11-03-2027	0.88%
Magenta Buyer LLC Term Loan 1st Lien Floating Rate 05-03-2028	0.86%
Neptune Bidco U.S. Inc. Term Loan B 1st Lien Floating Rate 04-11-2029	0.82%
Flutter Financing BV Term Loan B 1st Lien Floating Rate 11-18-2030	0.80%
ADS Tactical Inc. Term Loan B 1st Lien Floating Rate 03-04-2028	0.78%
Allied Universal Holdco LLC Term Loan B 1st Lien Sr. Floating Rate 05-04-2028	0.78%
Amneal Pharmaceuticals Inc. Term Loan 1st Lien Sr. Floating Rate 05-04-2028	0.78%
AthenaHealth Inc. Term Loan 1st Lien Floating Rate 01-27-2029	0.78%
Upfield USA Corp. Term Loan B 1st Lien Sr. Floating Rate 01-02-2028	0.78%
Cash and short-term deposits	0.76%
Amynta Agency Borrower Inc. Term Loan B 1st Lien Floating Rate 02-28-2028	0.75%
Discovery Purchaser Corp. Term Loan 1st Lien Floating Rate 08-04-2029	0.75%
INEOS US Finance LLC Term Loan B 1st Lien Floating Rate 02-10-2030	0.75%

*The issuer of this security is a related company to the issuer of the Fund.

Floating Rate Income Fund (MF) SF526

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Net Assets Attributable to Contractholders by Category

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
75/75 guarantee policy	779,308	764,879	608,857	490,309	488,229	9,525	8,544	7,275	5,678	5,784
75/100 guarantee policy	1,733,168	1,646,587	1,221,281	1,008,972	992,503	20,986	18,242	14,488	11,613	11,700
100/100 guarantee policy	110,909	106,096	91,658	83,217	120,261	1,323	1,160	1,075	948	1,406
PS1 75/75 guarantee policy	638,782	523,252	477,398	228,353	224,389	8,226	6,123	5,941	2,738	2,737
PS1 75/100 guarantee policy	1,321,118	1,217,699	855,401	485,167	800,743	16,847	14,127	10,565	5,781	9,714
PS1 100/100 guarantee policy	142,457	65,685	60,855	43,088	71,518	1,790	752	743	509	861
PS2 75/75 guarantee policy	108,768	106,511	205,104	61,277	49,726	1,625	1,422	2,864	811	658
PS2 75/100 guarantee policy	202,210	223,166	137,818	105,427	243,452	3,022	2,980	1,924	1,395	3,222
PS 75/75 guarantee policy	15,476	17,121	11,528	16,001	32,504	167	168	121	161	333
PS 75/100 guarantee policy	186,122	237,969	72,944	36,151	17,857	2,000	2,326	759	363	183
PS 100/100 guarantee policy	—	—	—	—	2,263	—	—	—	—	23
PPS 75/75 guarantee policy	60,564	52,854	28,593	8,639	—	676	533	305	88	—
PPS 75/100 guarantee policy	195,472	114,871	56,448	7,542	14,036	2,168	1,153	600	77	145
PPS 100/100 guarantee policy	4,354	15,728	2,688	769	21,132	48	157	28	8	218

Net Assets Attributable to Contractholders Per Unit (note 7)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
75/75 guarantee policy	12.22	11.17	11.95	11.58	11.85	1.05	(0.78)
75/100 guarantee policy	12.11	11.08	11.86	11.51	11.79	1.03	(0.78)
100/100 guarantee policy	11.93	10.93	11.73	11.40	11.69	1.00	(0.80)
PS1 75/75 guarantee policy	12.88	11.70	12.44	11.99	12.20	1.18	(0.74)
PS1 75/100 guarantee policy	12.75	11.60	12.35	11.92	12.13	1.15	(0.75)
PS1 100/100 guarantee policy	12.57	11.45	12.21	11.80	12.04	1.12	(0.76)
PS2 75/75 guarantee policy	14.95	13.35	13.96	13.23	13.24	1.60	(0.61)
PS2 75/100 guarantee policy	14.95	13.35	13.96	13.23	13.24	1.60	(0.61)
PS 75/75 guarantee policy	10.81	9.82	10.45	10.07	10.25	0.99	(0.63)
PS 75/100 guarantee policy	10.74	9.78	10.41	10.04	10.23	0.96	(0.63)
PS 100/100 guarantee policy	—	—	—	—	10.21	—	—
PPS 75/75 guarantee policy	11.16	10.08	10.66	10.22	—	1.08	(0.58)
PPS 75/100 guarantee policy	11.09	10.03	10.62	10.19	10.32	1.06	(0.59)
PPS 100/100 guarantee policy	10.99	9.96	10.57	10.15	10.30	1.03	(0.61)

Floating Rate Income Fund (MF) SF526

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Floating Rate Income Fund (MF) SF526 (the Fund) is offered by The Canada Life Assurance Company (Canada Life or the Company).

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

Floating Rate Income Fund (MF) SF526

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

Floating Rate Income Fund (MF) SF526

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in note 9 on Financial Instrument Risk Management.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

Floating Rate Income Fund (MF) SF526

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Investment Fund Units

Investment fund units are recorded at fair value, which is the closing net asset value (NAV) per unit of the underlying fund.

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Floating Rate Income Fund (MF) SF526

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

Floating Rate Income Fund (MF) SF526

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

k) Income Allocation

Net gain (loss) on investments, which includes realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the NAV per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

3. INVESTMENT FUND UNITS

Investment fund units of the Fund invest solely in underlying mutual funds.

As the Fund's assets are invested in underlying investment funds, the Fund indirectly pays management fees and operating expenses of the underlying funds. All such charges are included in the management expense ratio of the segregated funds.

Distributions of income from the underlying investment funds are shown as net gain (loss) on investments on the Statement of Comprehensive Income.

Investment activity of the underlying fund indirectly exposes the Fund to financial risk. See note 9 on Financial Instrument Risk Management.

Investments in unconsolidated structured entities

The Company has determined that the Fund meets the definition of an investment entity and as such, accounts for its holdings in unlisted open-ended investment funds at FVTPL. The Company has concluded that the underlying funds in which the Fund invests, but do not consolidate, meet the definition of structured entities because: (i) the voting rights in the underlying funds are not dominant rights in deciding who controls them; (ii) each underlying fund's activities are restricted by its prospectus; and (iii) the underlying funds have narrow and well-defined objectives to provide investment opportunities to investors.

Floating Rate Income Fund (MF) SF526

Notes to the Financial Statements

(in Canadian \$ thousands)

4. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Emperor,
- Flex,
- Generations/Mosaic,
- Generations I,
- Generations II,
- Generations Core,
- Prestige/Prestige Plus, and
- Private Collections.

In addition to the Individual units, units are available for:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

The categories of units are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

Floating Rate Income Fund (MF) SF526

Notes to the Financial Statements

(in Canadian \$ thousands)

5. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

6. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

7. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

Floating Rate Income Fund (MF) SF526

Notes to the Financial Statements

(in Canadian \$ thousands)

8. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.
- c) The Fund invests in assets or underlying funds managed by Canada Life Investment Management Ltd. All investment transactions with the corresponding underlying funds are at quoted market prices.

Floating Rate Income Fund (MF) SF526

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT

a) Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023. The following sections describe the significant risks that are relevant to the Fund.

To assist with managing risk, the Fund Manager maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and securities regulations. Financial statements for the underlying funds, which include discussions about their respective risk exposure, are available upon request.

b) Liquidity Risk

Liquidity risk arises when a Fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units. As the Fund primarily invests all of its net assets in the underlying funds, liquidity risk is mitigated by the underlying funds' ability to meet the obligation to fund daily cash redemptions of their redeemable units/shares. In addition, the underlying funds retain sufficient cash and cash equivalent positions to maintain adequate liquidity.

c) Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The Fund's investments in all underlying funds are denominated in Canadian dollars. However, the Fund is indirectly exposed to currency risk to the extent that the investments of the underlying funds are denominated or traded in a foreign currency.

d) Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund does not directly hold any interest-bearing financial instruments. The Fund is indirectly exposed to the risk that the value of interest-bearing financial instruments held by the underlying funds will fluctuate due to changes in the prevailing levels of market interest rates.

e) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund has no direct exposure to credit risk. The greatest indirect concentration of credit risk is in debt securities, such as bonds, held by underlying funds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer.

f) Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. For the instruments held by the Fund, maximum risk of loss is equivalent to their fair value. The Fund Manager moderates this risk through a careful selection of underlying funds within the parameters of the investment strategy.

g) Fair Value Classification

Investment Fund Units are recorded at fair value, which is the closing NAV per unit of the underlying fund. This valuation is considered to be a Level 1 classification.

Floating Rate Income Fund (MF) SF526

Supplemental Information (unaudited)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾

For the years ended December 31	2023	2022	2021	2020	2019
75/75 guarantee policy	2.26	2.27	2.26	2.24	2.23
75/100 guarantee policy	2.37	2.38	2.37	2.35	2.34
100/100 guarantee policy	2.54	2.55	2.53	2.52	2.51
PS1 75/75 guarantee policy	1.69	1.70	1.68	1.65	1.64
PS1 75/100 guarantee policy	1.80	1.81	1.79	1.77	1.75
PS1 100/100 guarantee policy	1.97	1.98	1.96	1.93	1.92
PS 75/75 guarantee policy	1.71	1.71	1.71	1.70	1.68
PS 75/100 guarantee policy	1.82	1.82	1.81	1.80	1.79
PS 100/100 guarantee policy	—	—	—	—	1.96
PPS 75/75 guarantee policy	1.14	1.14	1.13	1.10	—
PPS 75/100 guarantee policy	1.25	1.25	1.23	1.22	1.20
PPS 100/100 guarantee policy	1.41	1.41	1.40	1.40	1.37

Unsubsidized Management Expense Ratio (%) ⁽²⁾

For the years ended December 31	2023	2022	2021	2020	2019
PS1 75/75 guarantee policy	1.69	1.70	1.68	1.67	1.66
PS1 75/100 guarantee policy	1.80	1.81	1.79	1.79	1.77
PS1 100/100 guarantee policy	1.97	1.98	1.96	1.95	1.94
PPS 75/75 guarantee policy	1.14	1.14	1.13	1.12	—
PPS 75/100 guarantee policy	1.25	1.25	1.23	1.24	1.22
PPS 100/100 guarantee policy	1.41	1.41	1.40	1.42	1.39

Portfolio Turnover Rate (%) ⁽³⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	11.04	21.62	97.43	32.42	35.94

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The Company has waived a portion of the fees for the Preferred Series 1 and Preferred Partner Series guarantee policies. There is no obligation for the Company to continue waiving these fees and it may cease to do so at any time without notice.

(3) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
U.S. LOW VOLATILITY FUND (P) SF527

December 31, 2023

Independent Auditor's Report

To the Contractholders of U.S. Low Volatility Fund (P) SF527 (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

U.S. Low Volatility Fund (P) SF527

(in Canadian \$ thousands)

Fund Manager: Putnam Investments Canada ULC

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ 43	\$ 15
Investment income due and accrued	4	4
Due from The Canada Life Assurance Company (note 7)	—	—
Due from brokers	—	—
Due from outside parties	—	—
Investments		
Bonds	—	—
Stocks	4,130	4,111
Investment fund units	—	—
Total investments	4,130	4,111
Total assets	\$ 4,177	\$ 4,130
Liabilities		
Overdrafts	\$ —	\$ —
Due to The Canada Life Assurance Company (note 7)	—	1
Due to brokers	—	—
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	—	1
Net assets attributable to contractholders	\$ 4,177	\$ 4,129

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 746	\$ (468)
Miscellaneous income (loss)	2	2
Total income (loss)	748	(466)
Expenses		
Management fees (note 7)	99	104
Transaction costs	1	2
Withholding taxes	10	11
Other	10	10
Total expenses	120	127
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 628	\$ (593)

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year	\$ 4,129	\$ 5,246
Contractholder deposits	29	122
Contractholder withdrawals	(609)	(646)
Increase (decrease) in net assets from operations attributable to contractholders	628	(593)
Change in net assets attributable to contractholders	48	(1,117)
Net assets attributable to contractholders - end of year	\$ 4,177	\$ 4,129

U.S. Low Volatility Fund (P) SF527

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 628	\$ (593)
Adjustments		
Realized (gains) losses	(50)	(489)
Unrealized (gains) losses	(618)	1,039
Gross proceeds of disposition of investments	2,152	5,228
Gross payments for the purchase of investments	(1,503)	(4,658)
Change in investment income due and accrued	—	(1)
Change in due from/to The Canada Life Assurance Company	(1)	(1)
Change in due from/to brokers	—	—
Change in due from/to outside parties	—	—
	<u>608</u>	<u>525</u>
Financing Activities		
Contractholder deposits	29	122
Contractholder withdrawals	(609)	(646)
	<u>(580)</u>	<u>(524)</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	28	1
Cash, short-term deposits and overdrafts, beginning of year	15	14
Cash, short-term deposits and overdrafts, end of year	\$ 43	\$ 15
Supplementary cash flow information		
Dividend income received	\$ 76	\$ 81

U.S. Low Volatility Fund (P) SF527

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or <u>Par Value</u>	Average <u>Cost</u>	Fair <u>Value</u>
United States Common Stock			
Communication Services			
Alphabet Inc. Class A	1,122	90	207
Meta Platforms Inc.	108	35	51
Omnicom Group Inc.	248	31	28
Verizon Communications Inc.	1,023	72	51
Consumer Discretionary			
Amazon.com Inc.	271	42	55
BorgWarner Inc.	555	31	26
Ford Motor Co.	458	11	7
McDonald's Corp.	169	64	66
NVR Inc.	3	23	28
O'Reilly Automotive Inc.	45	36	57
PHINIA Inc.	112	4	4
Ross Stores Inc.	289	40	53
The TJX Companies Inc.	598	63	74
Ulta Beauty Inc.	85	56	55
Consumer Staples			
Albertsons Companies Inc.	1,064	29	32
Colgate Palmolive Co.	550	56	58
Costco Wholesale Corp.	30	13	26
Mondelez International Inc.	517	32	50
PepsiCo Inc.	96	21	22
The Hershey Co.	162	41	40
The Procter & Gamble Co.	68	9	13
Energy			
Chevron Corp.	162	38	32
Kinder Morgan Inc.	1,917	48	45
Marathon Petroleum Corp.	361	38	71
Exchange Traded Funds			
SPDR S&P 500 ETF Trust	199	123	125
Financials			
Bank of America Corp.	297	17	13
Berkshire Hathaway Inc. Class B	243	86	115

U.S. Low Volatility Fund (P) SF527

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or <u>Par Value</u>	Average <u>Cost</u>	Fair <u>Value</u>
United States Common Stock (continued)			
Financials (continued)			
First Horizon National Corp.	3,620	54	68
Gaming and Leisure Properties Inc.	857	55	56
JPMorgan Chase & Co.	340	51	77
Loews Corp.	274	18	25
MetLife Inc.	817	69	72
MGIC Investment Corp.	1,445	28	37
The Bank of New York Mellon Corp.	386	21	27
The Goldman Sachs Group Inc.	148	64	76
Health Care			
AbbVie Inc.	141	18	29
Amgen Inc.	54	14	21
Boston Scientific Corp.	860	60	66
Bristol-Myers Squibb Co.	204	18	14
Cencora Inc.	49	9	13
Eli Lilly and Co.	58	10	45
Humana Inc.	29	21	18
Incyte Corp.	55	6	5
IQVIA Holdings Inc.	20	6	6
Johnson & Johnson Inc.	197	32	41
McKesson Corp.	51	27	31
Merck & Co. Inc.	151	13	22
Moderna Inc.	20	3	3
Pfizer Inc.	486	23	19
Quest Diagnostics Inc.	268	55	49
Regeneron Pharmaceuticals Inc.	10	8	12
Thermo Fisher Scientific Inc.	25	9	18
Vertex Pharmaceuticals Inc.	25	7	13
Viatis Inc.	146	2	2
West Pharmaceutical Services Inc.	5	2	2
Zimmer Holdings Inc.	318	55	51
Zoetis Inc.	54	6	14
Industrials			
Crane Co.	535	55	84
CSX Corp.	1,342	56	62
Danaher Corp.	55	17	17

U.S. Low Volatility Fund (P) SF527

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or <u>Par Value</u>	Average <u>Cost</u>	Fair <u>Value</u>
United States Common Stock (continued)			
Industrials (continued)			
General Dynamics Corp.	158	43	54
Honeywell International Inc.	115	31	32
Lockheed Martin Corp.	106	61	64
Veralto Corp.	19	2	2
Waste Management Inc.	234	29	56
Information Technology			
Adobe Inc.	92	49	73
Advanced Micro Devices Inc.	199	20	39
Apple Inc.	1,021	103	259
Broadcom Inc.	86	61	127
Cadence Design Systems Inc.	209	49	75
Cisco Systems Inc.	1,061	67	71
Dolby Laboratories Inc.	78	9	9
Dropbox Inc.	1,534	48	60
Juniper Networks Inc.	77	3	3
KLA Corp.	83	47	64
Leidos Holdings Inc.	181	20	26
Microsoft Corp.	381	80	190
NVIDIA Corp.	36	18	24
Roper Technologies Inc.	20	10	14
Synopsys Inc.	112	53	76
Texas Instruments Inc.	108	24	24
Materials			
Dow Inc.	478	30	35
Real Estate			
VICI Properties Inc. REIT	1,259	52	53
Utilities			
DTE Energy Co.	113	17	17
Exelon Corp.	1,052	55	50
PPL Corp.	1,049	37	38
Total United States Common Stock		3,059	4,034

U.S. Low Volatility Fund (P) SF527

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or <u>Par Value</u>	Average <u>Cost</u>	Fair <u>Value</u>
Global Common Stock			
Ireland			
Linde PLC	92	44	50
Willis Towers Watson PLC	68	20	22
Netherlands			
QIAGEN NV	372	21	21
United Kingdom			
Rentokil Initial PLC ADR	91	33	3
Total Global Common Stock		118	96
Total Stocks		3,177	4,130
Transaction Costs (note 2)		(1)	
Total Investments		3,176	4,130

U.S. Low Volatility Fund (P) SF527

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

Introduction

The objective of the U.S. Low Volatility Fund (P) SF527 (the Fund) in managing risk is the creation and protection of contractholder value. Risk is inherent in the Fund's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. The process of risk management is critical to the Fund's continuing profitability. The Fund can be exposed to liquidity risk, market risk (which includes currency risk, interest rate risk and other price risk) and credit risk arising from the financial instruments it holds.

A. Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023, and groups the securities by asset type, geographic region and/or market segment. The following sections describe the significant risks that are relevant to the Fund.

To assist with managing risk, The Canada Life Assurance Company (Canada Life or the Company) maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and other regulations.

B. Liquidity Risk

Liquidity risk arises when a fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units by contractholders. The Fund retains sufficient cash and cash equivalent positions to maintain adequate liquidity to meet the obligation to fund daily cash redemptions of their redeemable units.

Some securities are illiquid due to legal restrictions on their resale, the nature of the investment, or simply a lack of interested buyers for a particular security or security type. Certain securities may become less liquid due to changes in market conditions, such as interest rate changes or market volatility, which could impair the ability of a fund to sell such securities quickly.

In accordance with the Fund's policy, the Company monitors the Fund's liquidity positions on a regular basis.

C. Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The classifications used on the Schedule of Investment Portfolio for the financial instruments are based on the country of issue.

The table below indicates the foreign currencies to which the Fund had significant exposure as at December 31, 2023 in Canadian dollar terms, including the underlying principal amount of forward currency contracts, if any. The table also illustrates the potential impact to the Fund's net assets attributable to contractholders, all other variables held constant, as a result of a 1% change in these currencies relative to the Canadian dollar. In practice, the actual results may differ from this sensitivity analysis and the difference could be significant.

2023

Currency	Investments	Cash, Short-term Deposits and Overdrafts	Total*	Impact on Net Assets Attributable to Contractholders
United States Dollar	\$ 4,130	\$ 33	\$ 4,163	\$ 42
Total	\$ 4,130	\$ 33	\$ 4,163	\$ 42
As Percent of Net Assets Attributable to Contractholders			99.7%	1.0%

*Includes both monetary and non-monetary instruments

U.S. Low Volatility Fund (P) SF527

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

C. Currency Risk (continued)

2022

Currency	Investments	Cash, Short-term Deposits and Overdrafts	Total*	Impact on Net Assets Attributable to Contractholders
United States Dollar	\$ 4,111	\$ 4	\$ 4,115	\$ 41
Total	\$ 4,111	\$ 4	\$ 4,115	\$ 41
As Percent of Net Assets Attributable to Contractholders			99.7%	1.0%

*Includes both monetary and non-monetary instruments

D. Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. The Fund Manager moderates this risk through careful selection of securities and other financial instruments within the parameters of the investment strategy. The maximum risk resulting from financial instruments is equivalent to their fair value.

For the Fund, the most significant exposure to other price risk arises from its investment in equity securities. As at December 31, 2023, had the prices on the respective stock exchanges for these securities increased or decreased by 1%, with all other variables held constant, assets would have increased (or decreased) by approximately \$41 (\$41 at December 31, 2022) or approximately 1.0% (1.0% at December 31, 2022) of total net assets attributable to contractholders. In practice, the actual results may differ and the difference could be significant.

E. Fair Value Classification

The following table presents information about the Fund's assets measured at fair value on a recurring basis and indicates the fair value hierarchy of the valuation techniques utilized by the Fund to determine such fair value:

Assets measured at fair value	2023			
	Assets Measured at Fair Value			
	Level 1	Level 2	Level 3	Total
Stocks	\$ 4,130	\$ —	\$ —	\$ 4,130
Total assets measured at fair value	\$ 4,130	\$ —	\$ —	\$ 4,130

Assets measured at fair value	2022			
	Assets Measured at Fair Value			
	Level 1	Level 2	Level 3	Total
Stocks	\$ 4,111	\$ —	\$ —	\$ 4,111
Total assets measured at fair value	\$ 4,111	\$ —	\$ —	\$ 4,111

There were no significant transfers between Level 1 and Level 2 during 2023 or 2022.

U.S. Low Volatility Fund (P) SF527

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Net Assets Attributable to Contractholders by Category

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
75/75 guarantee policy	34,429	46,980	52,934	59,110	64,596	547	640	816	757	782
75/100 guarantee policy	64,136	78,062	94,401	126,991	206,170	1,004	1,049	1,439	1,610	2,476
100/100 guarantee policy	49,154	53,964	49,135	58,599	74,455	751	709	735	731	882
PS1 75/75 guarantee policy	28,075	19,081	22,391	22,705	23,397	467	271	358	300	291
PS1 75/100 guarantee policy	57,580	63,906	61,984	71,143	71,587	934	887	972	924	877
PS1 100/100 guarantee policy	16,665	16,503	34,831	38,173	41,298	260	221	529	483	495
PS2 75/100 guarantee policy	8,287	8,408	8,577	10,583	31,697	170	143	161	160	442
PS2 100/100 guarantee policy	—	10,043	10,293	30,192	45,528	—	171	193	457	634
PS 75/100 guarantee policy	3,099	3,138	3,184	3,202	2,094	44	38	43	36	22

Net Assets Attributable to Contractholders Per Unit (note 6)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
75/75 guarantee policy	15.89	13.61	15.42	12.80	12.11	2.28	(1.81)
75/100 guarantee policy	15.65	13.44	15.24	12.68	12.01	2.21	(1.80)
100/100 guarantee policy	15.27	13.15	14.95	12.47	11.85	2.12	(1.80)
PS1 75/75 guarantee policy	16.63	14.18	15.98	13.20	12.42	2.45	(1.80)
PS1 75/100 guarantee policy	16.23	13.87	15.67	12.99	12.25	2.36	(1.80)
PS1 100/100 guarantee policy	15.60	13.40	15.20	12.65	11.99	2.20	(1.80)
PS2 75/100 guarantee policy	20.44	17.04	18.76	15.15	13.93	3.40	(1.72)
PS2 100/100 guarantee policy	—	17.04	18.76	15.15	13.93	—	(1.72)
PS 75/100 guarantee policy	14.31	12.15	13.64	11.22	10.51	2.16	(1.49)

U.S. Low Volatility Fund (P) SF527

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Fund is offered by The Canada Life Assurance Company.

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

U.S. Low Volatility Fund (P) SF527

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

U.S. Low Volatility Fund (P) SF527

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in fair value measurements in the notes to the Schedule of Investment Portfolio.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

U.S. Low Volatility Fund (P) SF527

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Stocks

Stocks are recorded at fair value determined with reference to closing quoted market prices, where the last traded price falls within the day's bid-ask spread, primarily provided by third party independent pricing sources. Fair values are determined on the basis of the closing price for a security on the recognized exchange on which it is principally traded at each reporting date. In circumstances where the last traded price is not within the bid-ask spread, the Company determines the point when the bid-ask spread that is most representative of fair value based on the specific facts and circumstances.

The fair value of unlisted securities is established using quotations determined by a major dealer in a particular security. Should the quoted value for a security, in the opinion of the Fund Manager, be inaccurate, unreliable, or not readily available, the value of the security is estimated using valuation techniques. Valuation techniques include the market approach (using recent arm's-length market transactions adjusted as necessary and reference to the current market value of another instrument that is substantially the same) and the income approach (discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible).

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

Dividend income - accrued as of the ex-dividend date and recorded on the accrual basis.

U.S. Low Volatility Fund (P) SF527

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

Miscellaneous income (loss)

Miscellaneous income (loss) generally includes the changes in foreign exchange rates between trade and settlement dates, foreign exchange rates on bank balances, securities lending income, derivative income, and management fee rebates.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

U.S. Low Volatility Fund (P) SF527

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

k) Income Allocation

Net gain (loss) on investments, which includes dividend income, realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the net asset value (NAV) per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

m) Transaction Costs

Transaction costs, such as brokerage commissions, incurred in the purchase and sale of securities by the Fund are charged to expenses in the year.

U.S. Low Volatility Fund (P) SF527

Notes to the Financial Statements

(in Canadian \$ thousands)

3. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Emperor,
- Flex,
- Generations/Mosaic,
- Generations I,
- Generations II,
- Generations Core,
- Prestige/Prestige Plus, and
- Private Collections.

In addition to the Individual units, units are available for:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

The categories of units are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

U.S. Low Volatility Fund (P) SF527

Notes to the Financial Statements

(in Canadian \$ thousands)

4. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

5. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

6. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

U.S. Low Volatility Fund (P) SF527

Notes to the Financial Statements

(in Canadian \$ thousands)

7. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.
- c) The Fund invests in assets or underlying funds managed by Putnam Investments, LLC or its subsidiaries. All investment transactions with the corresponding underlying funds are at quoted market prices.

U.S. Low Volatility Fund (P) SF527

Supplemental Information *(unaudited)*

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾

For the years ended December 31	2023	2022	2021	2020	2019
75/75 guarantee policy	2.81	2.81	2.80	2.81	2.83
75/100 guarantee policy	2.98	2.98	2.97	2.98	3.00
100/100 guarantee policy	3.25	3.24	3.24	3.25	3.27
PS1 75/75 guarantee policy	2.30	2.30	2.29	2.30	2.32
PS1 75/100 guarantee policy	2.58	2.57	2.57	2.57	2.59
PS1 100/100 guarantee policy	3.02	3.01	3.00	3.01	3.04
PS 75/100 guarantee policy	1.88	1.88	1.87	1.87	1.89

Portfolio Turnover Rate (%) ⁽²⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	36.99	107.02	48.34	53.37	66.93

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
GLOBAL DIVIDEND FUND (SAM) SF528

December 31, 2023

Independent Auditor's Report

To the Contractholders of Global Dividend Fund (SAM) SF528 (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

Global Dividend Fund (SAM) SF528

(in Canadian \$ thousands)

Fund Manager: Setanta Asset Management Limited

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ 4,425	\$ 3,735
Investment income due and accrued	339	149
Due from The Canada Life Assurance Company (note 7)	805	1,091
Due from brokers	60	—
Due from outside parties	—	—
Investments		
Bonds	—	—
Stocks	218,337	185,556
Investment fund units	—	—
Total investments	218,337	185,556
Total assets	\$ 223,966	\$ 190,531
Liabilities		
Overdrafts	\$ —	\$ —
Due to The Canada Life Assurance Company (note 7)	—	—
Due to brokers	—	1,271
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	—	1,271
Net assets attributable to contractholders	\$ 223,966	\$ 189,260

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 23,590	\$ (727)
Miscellaneous income (loss)	(44)	(139)
Total income (loss)	23,546	(866)
Expenses		
Management fees (note 7)	2,447	1,891
Transaction costs	95	108
Withholding taxes	1,084	906
Other	266	201
Total expenses	3,892	3,106
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 19,654	\$ (3,972)

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year	\$ 189,260	\$ 187,940
Contractholder deposits	36,024	33,943
Contractholder withdrawals	(20,972)	(28,651)
Increase (decrease) in net assets from operations attributable to contractholders	19,654	(3,972)
Change in net assets attributable to contractholders	34,706	1,320
Net assets attributable to contractholders - end of year	\$ 223,966	\$ 189,260

Global Dividend Fund (SAM) SF528

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 19,654	\$ (3,972)
Adjustments		
Realized (gains) losses	2,613	(1,054)
Unrealized (gains) losses	(17,242)	10,075
Gross proceeds of disposition of investments	40,018	55,787
Gross payments for the purchase of investments	(58,170)	(65,209)
Change in investment income due and accrued	(190)	56
Change in due from/to The Canada Life Assurance Company	286	(653)
Change in due from/to brokers	(1,331)	1,271
Change in due from/to outside parties	—	—
	<u>(14,362)</u>	<u>(3,699)</u>
Financing Activities		
Contractholder deposits	36,024	33,943
Contractholder withdrawals	(20,972)	(28,651)
	<u>15,052</u>	<u>5,292</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	690	1,593
Cash, short-term deposits and overdrafts, beginning of year	3,735	2,142
Cash, short-term deposits and overdrafts, end of year	\$ 4,425	\$ 3,735
Supplementary cash flow information		
Dividend income received	\$ 8,702	\$ 8,339

Global Dividend Fund (SAM) SF528

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or Par Value	Average Cost	Fair Value
Canadian Common Stock			
Financials			
The Toronto-Dominion Bank	38,998	3,231	3,339
Total Canadian Common Stock		3,231	3,339
United States Common Stock			
Consumer Discretionary			
McDonald's Corp.	13,573	3,884	5,333
The Home Depot Inc.	4,805	1,996	2,206
Consumer Staples			
Kenvue Inc.	192,082	5,328	5,480
The Procter & Gamble Co.	39,735	6,748	7,715
Energy			
Exxon Mobil Corp.	29,501	2,436	3,908
Financials			
Federated Hermes Inc.	101,860	3,972	4,570
Health Care			
Johnson & Johnson Inc.	35,851	7,207	7,446
Information Technology			
Cisco Systems Inc.	56,149	3,339	3,759
Utilities			
Exelon Corp.	88,833	4,705	4,226
Total United States Common Stock		39,615	44,643
Global Common Stock			
Australia			
Fortescue Ltd.	118,549	1,956	3,106
Bermuda			
Lancashire Holdings Ltd.	486,443	5,220	5,123

Global Dividend Fund (SAM) SF528

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or Par Value	Average Cost	Fair Value
Global Common Stock (continued)			
Finland			
Kone OYJ	72,756	4,243	4,804
Sampo OYJ Class A	104,777	6,143	6,068
France			
Air Liquide SA	28,878	5,446	7,437
Sanofi SA	63,105	7,816	8,282
Germany			
Allianz SE	22,062	6,212	7,805
Ireland			
CRH PLC	100,573	5,443	9,184
DCC PLC	89,336	8,051	8,713
Irish Residential Properties REIT	690,305	1,480	1,118
Medtronic Co. PLC	60,029	8,042	6,553
Italy			
Terna SPA	506,160	4,770	5,591
Portugal			
Redes Energeticas Nacionais SGPS SA	159,788	583	543
South Korea			
Samsung Electronics Co. Ltd. Preference Shares	118,649	7,333	7,563
SK Telecom Co. Ltd.	121,843	6,982	6,257
Spain			
Merlin Properties Socimi SA REIT	216,196	2,919	3,180
Viscofan SA	68,549	5,752	5,372
Sweden			
Boliden AB	108,651	4,423	4,488
Sandvik AB	207,279	5,417	5,938
Svenska Handelsbanken AB Class A	326,073	4,401	4,688
Switzerland			
Compagnie Financiere Richemont SA	24,164	3,460	4,405

Global Dividend Fund (SAM) SF528

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or Par Value	Average Cost	Fair Value
Global Common Stock (continued)			
Switzerland (continued)			
Nestle SA	44,830	6,705	6,884
Novartis AG	61,328	7,037	8,197
SGS SA Reg. *	42,143	5,253	4,814
Sonova Holding AG	15,947	5,640	6,891
Taiwan			
Taiwan Semiconductor Manufacturing Co. Ltd. ADR	50,020	5,814	6,893
Thailand			
Bangkok Bank PCL GDR	803,500	3,996	4,843
United Kingdom			
Diageo PLC	60,535	3,210	2,918
National Grid PLC	321,309	5,202	5,737
Smiths Group PLC	167,653	4,287	4,990
Unilever PLC	30,728	2,152	1,970
Total Global Common Stock		155,388	170,355
Total Stocks		198,234	218,337
Transaction Costs (note 2)		(275)	
Total Investments		197,959	218,337

*The issuer of this security is a related company to the issuer of the Fund.

Global Dividend Fund (SAM) SF528

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

Introduction

The objective of the Global Dividend Fund (SAM) SF528 (the Fund) in managing risk is the creation and protection of contractholder value. Risk is inherent in the Fund's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. The process of risk management is critical to the Fund's continuing profitability. The Fund can be exposed to liquidity risk, market risk (which includes currency risk, interest rate risk and other price risk) and credit risk arising from the financial instruments it holds.

A. Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023, and groups the securities by asset type, geographic region and/or market segment. The following sections describe the significant risks that are relevant to the Fund.

To assist with managing risk, The Canada Life Assurance Company (Canada Life or the Company) maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and other regulations.

B. Liquidity Risk

Liquidity risk arises when a fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units by contractholders. The Fund retains sufficient cash and cash equivalent positions to maintain adequate liquidity to meet the obligation to fund daily cash redemptions of their redeemable units.

Some securities are illiquid due to legal restrictions on their resale, the nature of the investment, or simply a lack of interested buyers for a particular security or security type. Certain securities may become less liquid due to changes in market conditions, such as interest rate changes or market volatility, which could impair the ability of a fund to sell such securities quickly.

In accordance with the Fund's policy, the Company monitors the Fund's liquidity positions on a regular basis.

C. Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The classifications used on the Schedule of Investment Portfolio for the financial instruments are based on the country of issue.

Global Dividend Fund (SAM) SF528

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

C. Currency Risk (continued)

The table below indicates the foreign currencies to which the Fund had significant exposure as at December 31, 2023 in Canadian dollar terms, including the underlying principal amount of forward currency contracts, if any. The table also illustrates the potential impact to the Fund's net assets attributable to contractholders, all other variables held constant, as a result of a 1% change in these currencies relative to the Canadian dollar. In practice, the actual results may differ from this sensitivity analysis and the difference could be significant.

2023

Currency	Investments	Cash, Short-term Deposits and Overdrafts	Total*	Impact on Net Assets Attributable to Contractholders
United States Dollar	\$ 58,089	\$ 32	\$ 58,121	\$ 581
Euro	52,170	4	52,174	522
United Kingdom Pound Sterling	36,665	—	36,665	367
Swiss Franc	31,191	—	31,191	311
Other Currencies	36,883	—	36,883	369
Total	\$ 214,998	\$ 36	\$ 215,034	\$ 2,150
As Percent of Net Assets Attributable to Contractholders			96.0%	1.0%

*Includes both monetary and non-monetary instruments

2022

Currency	Investments	Cash, Short-term Deposits and Overdrafts	Total*	Impact on Net Assets Attributable to Contractholders
Euro	\$ 57,183	\$ 427	\$ 57,610	\$ 576
United States Dollar	47,728	(196)	47,532	476
United Kingdom Pound Sterling	21,073	—	21,073	211
Swiss Franc	19,726	—	19,726	197
Other Currencies	37,857	255	38,112	381
Total	\$ 183,567	\$ 486	\$ 184,053	\$ 1,841
As Percent of Net Assets Attributable to Contractholders			97.2%	1.0%

*Includes both monetary and non-monetary instruments

D. Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. The Fund Manager moderates this risk through careful selection of securities and other financial instruments within the parameters of the investment strategy. The maximum risk resulting from financial instruments is equivalent to their fair value.

For the Fund, the most significant exposure to other price risk arises from its investment in equity securities. As at December 31, 2023, had the prices on the respective stock exchanges for these securities increased or decreased by 1%, with all other variables held constant, assets would have increased (or decreased) by approximately \$2,183 (\$1,856 at December 31, 2022) or approximately 1.0% (1.0% at December 31, 2022) of total net assets attributable to contractholders. In practice, the actual results may differ and the difference could be significant.

Global Dividend Fund (SAM) SF528

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

E. Fair Value Classification

The following table presents information about the Fund's assets measured at fair value on a recurring basis and indicates the fair value hierarchy of the valuation techniques utilized by the Fund to determine such fair value:

<u>Assets measured at fair value</u>	2023			
	Assets Measured at Fair Value			
	Level 1	Level 2	Level 3	Total
Stocks	\$ 199,673	\$ 18,664	\$ —	\$ 218,337
Total assets measured at fair value	\$ 199,673	\$ 18,664	\$ —	\$ 218,337

<u>Assets measured at fair value</u>	2022			
	Assets Measured at Fair Value			
	Level 1	Level 2	Level 3	Total
Stocks	\$ 175,254	\$ 10,302	\$ —	\$ 185,556
Total assets measured at fair value	\$ 175,254	\$ 10,302	\$ —	\$ 185,556

In accordance with the Fund's valuation policy, the Fund applies fair value adjustment factors to the quoted market prices for certain non-North American equities when North American intraday stock market movements exceed predetermined tolerances. The adjustment factors are applied in order to estimate the impact on fair values of events occurring between the close of the non-North American stock markets and the close of business for the Fund. If fair value adjustment factors are applied, non-North American equities are classified as Level 2. Consequently, non-North American equities are frequently transferred between Level 1 (unadjusted quoted market prices) and Level 2 (adjusted market prices). As at December 31, 2023, these securities were classified as Level 2 (Level 2 at December 31, 2022).

Global Dividend Fund (SAM) SF528

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance. Portfolio units are allocated to each category as described in note 3 and are not included on this page.

Net Assets Attributable to Contractholders by Category

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
75/75 guarantee policy	994,522	908,594	769,689	665,897	512,041	15,313	12,935	11,424	9,105	7,098
75/100 guarantee policy	2,268,542	2,049,431	1,762,366	1,511,083	1,081,758	34,418	28,797	25,861	20,460	14,874
100/100 guarantee policy	88,661	98,017	120,604	134,221	131,475	1,312	1,348	1,736	1,788	1,783
PS1 75/75 guarantee policy	783,163	683,850	694,742	503,325	264,071	12,562	10,095	10,644	7,071	3,744
PS1 75/100 guarantee policy	2,356,821	2,049,975	1,489,878	1,074,665	631,051	36,813	29,552	22,352	14,824	8,810
PS1 100/100 guarantee policy	158,744	156,013	83,817	118,205	137,772	2,398	2,182	1,224	1,593	1,885
PS2 75/75 guarantee policy	175,553	139,973	166,152	136,150	70,902	3,479	2,493	2,999	2,201	1,130
PS2 75/100 guarantee policy	155,658	162,029	126,329	92,332	124,885	3,085	2,886	2,281	1,493	1,991
PS2 100/100 guarantee policy	38,301	58,785	60,352	62,091	63,924	759	1,047	1,089	1,004	1,019
PS 75/75 guarantee policy	41,415	38,024	27,822	27,194	6,804	527	442	334	297	75
PS 75/100 guarantee policy	74,260	63,756	27,238	32,157	25,767	936	736	325	350	282
PS 100/100 guarantee policy	—	—	—	—	5,572	—	—	—	—	61
PPS 75/75 guarantee policy	60,872	67,760	43,787	36,500	—	794	804	534	403	—
PPS 75/100 guarantee policy	138,212	131,389	51,928	39,161	29,190	1,776	1,541	627	430	321
PPS 100/100 guarantee policy	4,380	4,545	2,860	5,145	63	55	53	34	56	1

Net Assets Attributable to Contractholders Per Unit (note 6)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
75/75 guarantee policy	15.40	14.24	14.84	13.67	13.86	1.16	(0.60)
75/100 guarantee policy	15.17	14.05	14.67	13.54	13.75	1.12	(0.62)
100/100 guarantee policy	14.80	13.75	14.40	13.32	13.56	1.05	(0.65)
PS1 75/75 guarantee policy	16.04	14.76	15.32	14.05	14.18	1.28	(0.56)
PS1 75/100 guarantee policy	15.62	14.42	15.00	13.79	13.96	1.20	(0.58)
PS1 100/100 guarantee policy	15.11	13.99	14.61	13.47	13.68	1.12	(0.62)
PS2 75/75 guarantee policy	19.82	17.81	18.05	16.16	15.94	2.01	(0.24)
PS2 75/100 guarantee policy	19.82	17.81	18.05	16.17	15.94	2.01	(0.24)
PS2 100/100 guarantee policy	19.82	17.81	18.05	16.16	15.94	2.01	(0.24)
PS 75/75 guarantee policy	12.72	11.63	12.00	10.93	10.96	1.09	(0.37)
PS 75/100 guarantee policy	12.61	11.55	11.93	10.88	10.93	1.06	(0.38)
PS 100/100 guarantee policy	—	—	—	—	10.89	—	—
PPS 75/75 guarantee policy	13.04	11.87	12.19	11.05	—	1.17	(0.32)
PPS 75/100 guarantee policy	12.85	11.73	12.07	10.98	10.99	1.12	(0.34)
PPS 100/100 guarantee policy	12.63	11.57	11.95	10.90	10.95	1.06	(0.38)

Global Dividend Fund (SAM) SF528

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Fund is offered by The Canada Life Assurance Company.

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

Global Dividend Fund (SAM) SF528

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

Global Dividend Fund (SAM) SF528

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in fair value measurements in the notes to the Schedule of Investment Portfolio.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

Global Dividend Fund (SAM) SF528

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Stocks

Stocks are recorded at fair value determined with reference to closing quoted market prices, where the last traded price falls within the day's bid-ask spread, primarily provided by third party independent pricing sources. Fair values are determined on the basis of the closing price for a security on the recognized exchange on which it is principally traded at each reporting date. In circumstances where the last traded price is not within the bid-ask spread, the Company determines the point when the bid-ask spread that is most representative of fair value based on the specific facts and circumstances.

The fair value of unlisted securities is established using quotations determined by a major dealer in a particular security. Should the quoted value for a security, in the opinion of the Fund Manager, be inaccurate, unreliable, or not readily available, the value of the security is estimated using valuation techniques. Valuation techniques include the market approach (using recent arm's-length market transactions adjusted as necessary and reference to the current market value of another instrument that is substantially the same) and the income approach (discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible).

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

Dividend income - accrued as of the ex-dividend date and recorded on the accrual basis.

Global Dividend Fund (SAM) SF528

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

Miscellaneous income (loss)

Miscellaneous income (loss) generally includes the changes in foreign exchange rates between trade and settlement dates, foreign exchange rates on bank balances, securities lending income, derivative income, and management fee rebates.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

Global Dividend Fund (SAM) SF528

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

k) Income Allocation

Net gain (loss) on investments, which includes dividend income, realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the net asset value (NAV) per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

m) Transaction Costs

Transaction costs, such as brokerage commissions, incurred in the purchase and sale of securities by the Fund are charged to expenses in the year.

Global Dividend Fund (SAM) SF528

Notes to the Financial Statements

(in Canadian \$ thousands)

3. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Emperor,
- Flex,
- Generations/Mosaic,
- Generations I,
- Generations II,
- Generations Core,
- Prestige/Prestige Plus, and
- Private Collections.

In addition to the Individual units, units are available for:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

Portfolio units are those units owned by the Asset Allocation Funds. Each Portfolio fund is represented by a separate category.

The categories of units, and the various levels within each, are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

Global Dividend Fund (SAM) SF528

Notes to the Financial Statements

(in Canadian \$ thousands)

4. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

5. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

6. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

Global Dividend Fund (SAM) SF528

Notes to the Financial Statements

(in Canadian \$ thousands)

7. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.
- c) The Fund invests in assets or underlying funds managed by Setanta Asset Management Limited. All investment transactions with the corresponding underlying funds are at quoted market prices.

Global Dividend Fund (SAM) SF528

Supplemental Information *(unaudited)*

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾

For the years ended December 31	2023	2022	2021	2020	2019
75/75 guarantee policy	2.84	2.82	2.83	2.78	2.78
75/100 guarantee policy	3.01	2.99	2.99	2.95	2.95
100/100 guarantee policy	3.28	3.28	3.28	3.22	3.22
PS1 75/75 guarantee policy	2.38	2.37	2.37	2.33	2.33
PS1 75/100 guarantee policy	2.66	2.64	2.64	2.60	2.60
PS1 100/100 guarantee policy	2.99	2.98	2.99	2.94	2.93
PS 75/75 guarantee policy	1.73	1.72	1.73	1.69	1.70
PS 75/100 guarantee policy	1.90	1.88	1.90	1.86	1.85
PS 100/100 guarantee policy	—	—	—	—	2.13
PPS 75/75 guarantee policy	1.27	1.26	1.27	1.24	—
PPS 75/100 guarantee policy	1.55	1.53	1.54	1.52	1.52
PPS 100/100 guarantee policy	1.88	1.87	1.87	1.85	1.84

Portfolio Turnover Rate (%) ⁽²⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	18.06	25.32	11.82	30.96	21.55

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
INTERNATIONAL EQUITY FUND (P) SF529

December 31, 2023

Independent Auditor's Report

To the Contractholders of International Equity Fund (P) SF529 (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

International Equity Fund (P) SF529

(in Canadian \$ thousands)

Fund Manager: Putnam Investments Canada ULC

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ 645	\$ 166
Investment income due and accrued	14	8
Due from The Canada Life Assurance Company (note 8)	12	—
Due from brokers	25	20
Due from outside parties	—	—
Investments		
Bonds	—	—
Stocks	19,748	19,381
Investment fund units	—	—
Derivatives (note 7)	218	197
Total investments	19,966	19,578
Total assets	\$ 20,662	\$ 19,772
Liabilities		
Overdrafts	\$ 16	\$ —
Due to The Canada Life Assurance Company (note 8)	—	28
Due to brokers	—	20
Due to outside parties	—	—
Derivatives (note 7)	106	133
Total liabilities excluding net assets attributable to contractholders	122	181
Net assets attributable to contractholders	\$ 20,540	\$ 19,591

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 3,204	\$ (1,473)
Miscellaneous income (loss)	6	(14)
Total income (loss)	3,210	(1,487)
Expenses		
Management fees (note 8)	33	36
Transaction costs	33	49
Withholding taxes	46	46
Other	3	3
Total expenses	115	134
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 3,095	\$ (1,621)

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year	\$ 19,591	\$ 20,529
Contractholder deposits	1,534	4,178
Contractholder withdrawals	(3,680)	(3,495)
Increase (decrease) in net assets from operations attributable to contractholders	3,095	(1,621)
Change in net assets attributable to contractholders	949	(938)
Net assets attributable to contractholders - end of year	\$ 20,540	\$ 19,591

International Equity Fund (P) SF529

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 3,095	\$ (1,621)
Adjustments		
Realized (gains) losses	(1,494)	894
Unrealized (gains) losses	(1,288)	1,173
Gross proceeds of disposition of investments	15,874	16,661
Gross payments for the purchase of investments	(13,507)	(18,493)
Change in investment income due and accrued	(6)	—
Change in due from/to The Canada Life Assurance Company	(40)	72
Change in due from/to brokers	(25)	—
Change in due from/to outside parties	—	—
	<u>2,609</u>	<u>(1,314)</u>
Financing Activities		
Contractholder deposits	1,534	4,178
Contractholder withdrawals	(3,680)	(3,495)
	<u>(2,146)</u>	<u>683</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	463	(631)
Cash, short-term deposits and overdrafts, beginning of year	166	797
Cash, short-term deposits and overdrafts, end of year	\$ 629	\$ 166
Supplementary cash flow information		
Dividend income received	\$ 500	\$ 563

International Equity Fund (P) SF529

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or Par Value	Average Cost	Fair Value
Canadian Common Stock			
Industrials			
Canadian National Railway Co.	2,301	368	383
Total Canadian Common Stock		368	383
Global Common Stock			
Australia			
BHP Group Ltd.	10,221	447	465
Cayman Islands			
CK Hutchison Holdings Ltd.	49,000	425	348
Denmark			
Novo Nordisk AS	2,005	197	275
Novozymes AS	3,502	223	255
France			
AXA SA	8,250	296	356
Danone SA	2,338	206	201
LVMH Moet Hennessy Louis Vuitton SE	458	444	491
Sanofi SA	4,207	556	552
Thales SA	1,552	225	304
Vinci SA	3,234	511	538
Germany			
Aixtron SE	4,383	191	248
Deutsche Boerse AG	1,004	211	274
Merck KGaA	883	195	186
Rheinmetall AG	463	115	194
Scout24 SE	3,665	346	344
Siemens AG	1,434	351	356
Hong Kong			
AIA Group Ltd.	24,200	300	279
Ireland			
Bank of Ireland Group PLC	2,170	28	26
Bank of Ireland Group PLC	25,179	220	303

International Equity Fund (P) SF529

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or Par Value	Average Cost	Fair Value
Global Common Stock (continued)			
Ireland (continued)			
CRH PLC	5,992	317	547
Linde PLC	771	292	419
Ryanair Holdings PLC ADR	1,455	247	257
Italy			
Prada SPA	19,800	185	150
Prysmian SPA	6,722	371	405
Japan			
Asahi Group Holdings Ltd.	6,000	307	296
ASICS Corp.	2,300	84	95
Coca-Cola Bottlers Japan Holdings Inc.	7,100	117	135
Ebara Corp.	1,500	102	118
Hoya Corp.	2,300	314	381
ITOCHU Corp.	7,700	296	417
Japan Exchange Group Inc.	5,700	113	160
Kokusai Electric Corp.	5,300	102	153
Mitsubishi Corp.	16,200	243	343
Mitsubishi Electric Corp.	16,000	289	300
Mitsubishi UFJ Financial Group Inc.	37,300	272	424
Nintendo Co. Ltd.	6,600	388	456
Nippon Sanso Holdings Corp.	6,800	225	241
Pan Pacific International Holdings Corp.	7,100	173	224
Renesas Electronics Corp.	10,500	133	251
Sony Group Corp.	3,200	301	403
Jersey			
Experian PLC	7,032	312	380
Netherlands			
ASML Holding NV	407	388	406
ASR Nederland NV	3,946	219	246
Euronext NV	2,815	279	324
Prosus NV	7,019	305	277
STMicroelectronics NV	4,669	299	309
Universal Music Group NV	6,323	203	239
Wolters Kluwer NV	1,907	256	359

International Equity Fund (P) SF529

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or Par Value	Average Cost	Fair Value
Global Common Stock (continued)			
Norway			
DNB Bank ASA	10,502	262	295
South Korea			
Samsung Electronics Co. Ltd. Preference Shares	7,222	435	460
Switzerland			
Nestle SA	3,877	597	595
United Kingdom			
Anglo American PLC	7,809	420	260
AstraZeneca PLC	2,401	365	430
BP PLC	35,159	307	277
Coca-Cola Europacific Partners PLC	5,055	356	447
Compass Group PLC	13,557	454	491
InterContinental Hotels Group PLC	2,618	239	313
London Stock Exchange Group PLC	3,375	440	528
Persimmon PLC	15,209	287	357
Prudential PLC	13,486	259	202
Total Global Common Stock		17,040	19,365
Total Stocks		17,408	19,748

International Equity Fund (P) SF529

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, contracts, shares, par value or contract price)

As at December 31, 2023

Schedule of Derivative Contracts

Forward Currency Contracts

Contract Price	Settlement Date	Purchased Currency		Sold Currency		Unrealized Gain (Loss)
		Currency	Value as at December 31	Currency	Value as at December 31	
1.5788	January 16, 2024	Australian Dollar	256	United States Dollar	233	23
1.5785	January 16, 2024	Australian Dollar	226	United States Dollar	206	20
1.5780	January 16, 2024	Australian Dollar	184	United States Dollar	168	16
1.5787	January 16, 2024	Australian Dollar	82	United States Dollar	74	8
1.5781	January 16, 2024	Australian Dollar	90	United States Dollar	82	8
3.8426	January 16, 2024	Israeli New Shekel	102	United States Dollar	94	8
1.6924	January 16, 2024	New Zealand Dollar	32	United States Dollar	29	3
1.5779	January 16, 2024	Australian Dollar	22	United States Dollar	20	2
1.4904	January 16, 2024	Australian Dollar	53	United States Dollar	52	1
0.7285	January 16, 2024	United States Dollar	17	Canadian Dollar	17	-
0.7335	January 16, 2024	United States Dollar	13	Canadian Dollar	13	-
147.4817	February 20, 2024	Japanese Yen	174	United States Dollar	162	12
149.1254	February 20, 2024	Japanese Yen	100	United States Dollar	91	9
144.7776	February 20, 2024	Japanese Yen	134	United States Dollar	128	6
145.4296	February 20, 2024	Japanese Yen	105	United States Dollar	100	5
1.3560	February 20, 2024	Singapore Dollar	115	United States Dollar	111	4
1.3561	February 20, 2024	Singapore Dollar	104	United States Dollar	100	4
7.2743	February 20, 2024	Chinese Yuan Renminbi	45	United States Dollar	43	2
141.5488	February 20, 2024	Japanese Yen	85	United States Dollar	83	2
141.2328	February 20, 2024	Japanese Yen	162	United States Dollar	160	2
1,282.0000	February 20, 2024	United States Dollar	-	South Korean Won	(1)	1
7.8094	February 20, 2024	Hong Kong Dollar	57	United States Dollar	57	-
7.8094	February 20, 2024	Hong Kong Dollar	29	United States Dollar	29	-
7.8083	February 20, 2024	United States Dollar	23	Hong Kong Dollar	23	-
7.7977	February 20, 2024	United States Dollar	6	Hong Kong Dollar	6	-
7.1197	February 20, 2024	United States Dollar	9	Chinese Yuan Renminbi	9	-
1,294.6001	February 20, 2024	United States Dollar	-	South Korean Won	-	-
83.5850	February 20, 2024	Indian Rupee	92	United States Dollar	92	-
83.5250	February 20, 2024	Indian Rupee	18	United States Dollar	18	-
1,300.2001	February 20, 2024	United States Dollar	-	South Korean Won	-	-
1,288.7998	February 20, 2024	United States Dollar	-	South Korean Won	-	-
1.1574	March 19, 2024	Swiss Franc	165	United States Dollar	154	11
1.1575	March 19, 2024	Swiss Franc	162	United States Dollar	151	11
1.1575	March 19, 2024	Swiss Franc	141	United States Dollar	132	9
1.1575	March 19, 2024	Swiss Franc	108	United States Dollar	101	7
10.4406	March 19, 2024	Swedish Krona	109	United States Dollar	103	6
10.4369	March 19, 2024	Swedish Krona	105	United States Dollar	100	5
10.4366	March 19, 2024	Swedish Krona	89	United States Dollar	84	5
1.1569	March 19, 2024	Swiss Franc	55	United States Dollar	51	4

International Equity Fund (P) SF529

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, contracts, shares, par value or contract price)

As at December 31, 2023

Schedule of Derivative Contracts

Forward Currency Contracts

Contract Price	Settlement Date	Purchased Currency		Sold Currency		Unrealized Gain (Loss)
		Currency	Value as at December 31	Currency	Value as at December 31	
Derivative Assets (continued)						
1.1574	March 19, 2024	Swiss Franc	44	United States Dollar	41	3
10.4345	March 19, 2024	Swedish Krona	77	United States Dollar	74	3
1.1626	March 19, 2024	Swiss Franc	59	United States Dollar	56	3
1.0867	March 19, 2024	Euro	61	United States Dollar	59	2
1.1571	March 19, 2024	Swiss Franc	30	United States Dollar	28	2
10.4388	March 19, 2024	Swedish Krona	39	United States Dollar	37	2
1.2571	March 19, 2024	Pound Sterling	85	United States Dollar	83	2
10.4400	March 19, 2024	Swedish Krona	31	United States Dollar	30	1
1.1574	March 19, 2024	Swiss Franc	3	United States Dollar	2	1
1.1574	March 19, 2024	Swiss Franc	10	United States Dollar	9	1
10.1809	March 19, 2024	Swedish Krona	43	United States Dollar	42	1
6.7957	March 19, 2024	Danish Krone	104	United States Dollar	103	1
1.2660	March 19, 2024	Pound Sterling	63	United States Dollar	62	1
1.1143	March 19, 2024	United States Dollar	97	Euro	96	1
1.2608	March 19, 2024	United States Dollar	34	Pound Sterling	34	-
1.2602	March 19, 2024	United States Dollar	14	Pound Sterling	14	-
1.2610	March 19, 2024	United States Dollar	19	Pound Sterling	19	-
1.0846	March 19, 2024	United States Dollar	4	Euro	4	-
Derivatives - Assets						218
1.5142	January 16, 2024	United States Dollar	15	Australian Dollar	16	(1)
0.7392	January 16, 2024	United States Dollar	73	Canadian Dollar	74	(1)
0.7285	January 16, 2024	United States Dollar	58	Canadian Dollar	60	(2)
0.7286	January 16, 2024	United States Dollar	55	Canadian Dollar	57	(2)
1.5621	January 16, 2024	United States Dollar	26	Australian Dollar	30	(4)
1.5659	January 16, 2024	United States Dollar	31	Australian Dollar	35	(4)
0.7284	January 16, 2024	United States Dollar	123	Canadian Dollar	128	(5)
83.6000	February 20, 2024	United States Dollar	1	Indian Rupee	2	(1)
1,302.3000	February 20, 2024	United States Dollar	-	South Korean Won	1	(1)
1,305.1001	February 20, 2024	United States Dollar	-	South Korean Won	1	(1)
147.5674	February 20, 2024	United States Dollar	-	Japanese Yen	3	(3)
146.1781	February 20, 2024	United States Dollar	1	Japanese Yen	5	(4)
7.2473	February 20, 2024	United States Dollar	21	Chinese Yuan Renminbi	26	(5)
147.4010	February 20, 2024	United States Dollar	1	Japanese Yen	8	(7)
147.5320	February 20, 2024	United States Dollar	1	Japanese Yen	10	(9)
147.3780	February 20, 2024	United States Dollar	2	Japanese Yen	19	(17)
1.2635	March 19, 2024	United States Dollar	61	Pound Sterling	62	(1)
1.0845	March 19, 2024	United States Dollar	28	Euro	29	(1)
6.8809	March 19, 2024	United States Dollar	1	Danish Krone	2	(1)

International Equity Fund (P) SF529

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, contracts, shares, par value or contract price)

As at December 31, 2023

Schedule of Derivative Contracts

Forward Currency Contracts

Contract Price	Settlement Date	Purchased Currency		Sold Currency		Unrealized Gain (Loss)	
		Currency	Value as at December 31	Currency	Value as at December 31		
Derivative Liabilities (continued)							
1.0846	March 19, 2024	United States Dollar	43	Euro	44	(1)	
1.2606	March 19, 2024	United States Dollar	54	Pound Sterling	55	(1)	
10.7744	March 19, 2024	United States Dollar	3	Norwegian Krone	5	(2)	
1.0847	March 19, 2024	United States Dollar	49	Euro	51	(2)	
1.0847	March 19, 2024	United States Dollar	59	Euro	61	(2)	
1.2606	March 19, 2024	United States Dollar	78	Pound Sterling	80	(2)	
1.2606	March 19, 2024	United States Dollar	113	Pound Sterling	115	(2)	
1.0847	March 19, 2024	United States Dollar	102	Euro	105	(3)	
1.0949	March 19, 2024	United States Dollar	191	Euro	194	(3)	
10.7731	March 19, 2024	United States Dollar	4	Norwegian Krone	8	(4)	
10.9435	March 19, 2024	United States Dollar	4	Norwegian Krone	8	(4)	
1.0844	March 19, 2024	United States Dollar	147	Euro	152	(5)	
1.0794	March 19, 2024	United States Dollar	125	Euro	130	(5)	
Derivatives - Liabilities						(106)	
Total Forward Currency Contracts						112	
Total Derivative Instruments at Fair Value						112	
Transaction Costs (note 2)						(33)	
Total Investments						17,375	19,860

International Equity Fund (P) SF529

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

Introduction

The objective of the International Equity Fund (P) SF529 (the Fund) in managing risk is the creation and protection of contractholder value. Risk is inherent in the Fund's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. The process of risk management is critical to the Fund's continuing profitability. The Fund can be exposed to liquidity risk, market risk (which includes currency risk, interest rate risk and other price risk) and credit risk arising from the financial instruments it holds.

A. Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023, and groups the securities by asset type, geographic region and/or market segment. The following sections describe the significant risks that are relevant to the Fund.

To assist with managing risk, The Canada Life Assurance Company (Canada Life or the Company) maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and other regulations.

B. Liquidity Risk

Liquidity risk arises when a fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units by contractholders. The Fund retains sufficient cash and cash equivalent positions to maintain adequate liquidity to meet the obligation to fund daily cash redemptions of their redeemable units.

Some securities are illiquid due to legal restrictions on their resale, the nature of the investment, or simply a lack of interested buyers for a particular security or security type. Certain securities may become less liquid due to changes in market conditions, such as interest rate changes or market volatility, which could impair the ability of a fund to sell such securities quickly.

In accordance with the Fund's policy, the Company monitors the Fund's liquidity positions on a regular basis.

C. Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The classifications used on the Schedule of Investment Portfolio for the financial instruments are based on the country of issue.

International Equity Fund (P) SF529

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

C. Currency Risk (continued)

The table below indicates the foreign currencies to which the Fund had significant exposure as at December 31, 2023 in Canadian dollar terms, including the underlying principal amount of forward currency contracts, if any. The table also illustrates the potential impact to the Fund's net assets attributable to contractholders, all other variables held constant, as a result of a 1% change in these currencies relative to the Canadian dollar. In practice, the actual results may differ from this sensitivity analysis and the difference could be significant.

2023

Currency	Investments	Cash, Short-term Deposits and Overdrafts	Total*	Impact on Net Assets Attributable to Contractholders
Euro	\$ 5,775	\$ 1	\$ 5,776	\$ 58
Japanese Yen	4,579	(42)	4,537	45
United Kingdom Pound Sterling	3,470	(5)	3,465	35
United States Dollar	88	645	733	7
Other Currencies	5,913	—	5,913	59
Total	\$ 19,825	\$ 599	\$ 20,424	\$ 204
As Percent of Net Assets Attributable to Contractholders			99.4%	1.0%

*Includes both monetary and non-monetary instruments

2022

Currency	Investments	Cash, Short-term Deposits and Overdrafts	Total*	Impact on Net Assets Attributable to Contractholders
Euro	\$ 5,657	\$ 1	\$ 5,658	\$ 57
Japanese Yen	4,372	—	4,372	44
United Kingdom Pound Sterling	3,441	—	3,441	34
Swiss Franc	2,051	—	2,051	20
Other Currencies	3,917	178	4,095	41
Total	\$ 19,438	\$ 179	\$ 19,617	\$ 196
As Percent of Net Assets Attributable to Contractholders			100.1%	1.0%

*Includes both monetary and non-monetary instruments

D. Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. The Fund Manager moderates this risk through careful selection of securities and other financial instruments within the parameters of the investment strategy. The maximum risk resulting from financial instruments is equivalent to their fair value.

For the Fund, the most significant exposure to other price risk arises from its investment in equity securities. As at December 31, 2023, had the prices on the respective stock exchanges for these securities increased or decreased by 1%, with all other variables held constant, assets would have increased (or decreased) by approximately \$197 (\$194 at December 31, 2022) or approximately 1.0% (1.0% at December 31, 2022) of total net assets attributable to contractholders. In practice, the actual results may differ and the difference could be significant.

International Equity Fund (P) SF529

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

E. Fair Value Classification

The following table presents information about the Fund's assets and liabilities measured at fair value on a recurring basis and indicates the fair value hierarchy of the valuation techniques utilized by the Fund to determine such fair value:

	2023			
	Assets and Liabilities Measured at Fair Value			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Stocks	\$ 19,288	\$ 460	\$ —	\$ 19,748
Derivatives	—	218	—	218
Total assets measured at fair value	\$ 19,288	\$ 678	\$ —	\$ 19,966
Liabilities measured at fair value				
Derivatives	\$ —	\$ 106	\$ —	\$ 106
Net assets attributable to contractholders measured at fair value	\$ 19,288	\$ 572	\$ —	\$ 19,860

	2022			
	Assets and Liabilities Measured at Fair Value			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Stocks	\$ 19,049	\$ 332	\$ —	\$ 19,381
Derivatives	—	197	—	197
Total assets measured at fair value	\$ 19,049	\$ 529	\$ —	\$ 19,578
Liabilities measured at fair value				
Derivatives	\$ —	\$ 133	\$ —	\$ 133
Net assets attributable to contractholders measured at fair value	\$ 19,049	\$ 396	\$ —	\$ 19,445

In accordance with the Fund's valuation policy, the Fund applies fair value adjustment factors to the quoted market prices for certain non-North American equities when North American intraday stock market movements exceed predetermined tolerances. The adjustment factors are applied in order to estimate the impact on fair values of events occurring between the close of the non-North American stock markets and the close of business for the Fund. If fair value adjustment factors are applied, non-North American equities are classified as Level 2. Consequently, non-North American equities are frequently transferred between Level 1 (unadjusted quoted market prices) and Level 2 (adjusted market prices). As at December 31, 2023, these securities were classified as Level 2 (Level 2 at December 31, 2022).

International Equity Fund (P) SF529

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance. Portfolio units are allocated to each category as described in note 3 and are not included on this page.

Net Assets Attributable to Contractholders by Category

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
75/75 guarantee policy	16,896	21,006	29,390	30,276	41,318	248	271	424	413	521
75/100 guarantee policy	29,801	35,588	43,874	55,000	88,040	429	453	625	742	1,100
100/100 guarantee policy	9,631	9,736	10,014	9,890	10,659	133	120	138	130	130
PS1 75/75 guarantee policy	5,464	5,464	6,140	6,009	13,082	84	74	92	85	170
PS1 75/100 guarantee policy	23,542	25,180	27,031	30,557	34,683	353	332	398	424	443
PS2 75/75 guarantee policy	280	15,542	16,995	24,672	38,126	5	254	302	402	557
PS2 75/100 guarantee policy	3,127	3,211	3,297	3,386	4,852	60	52	58	55	71
PS 100/100 guarantee policy	—	—	—	—	199	—	—	—	—	2
PPS 75/100 guarantee policy	1,619	1,788	2,003	2,138	2,277	20	19	24	24	23
PPS 100/100 guarantee policy	—	—	—	387	29,935	—	—	—	4	300

Net Assets Attributable to Contractholders Per Unit (note 6)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
75/75 guarantee policy	14.66	12.92	14.44	13.65	12.61	1.74	(1.52)
75/100 guarantee policy	14.40	12.72	14.25	13.49	12.49	1.68	(1.53)
100/100 guarantee policy	13.85	12.28	13.82	13.14	12.22	1.57	(1.54)
PS1 75/75 guarantee policy	15.38	13.48	14.99	14.09	12.96	1.90	(1.51)
PS1 75/100 guarantee policy	15.00	13.19	14.71	13.87	12.78	1.81	(1.52)
PS2 75/75 guarantee policy	19.09	16.34	17.75	16.29	14.62	2.75	(1.41)
PS2 75/100 guarantee policy	19.09	16.34	17.75	16.29	14.62	2.75	(1.41)
PS 100/100 guarantee policy	—	—	—	—	9.95	—	—
PPS 75/100 guarantee policy	12.37	10.76	11.86	11.06	10.09	1.61	(1.10)
PPS 100/100 guarantee policy	—	—	—	10.94	10.02	—	—

International Equity Fund (P) SF529

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Fund is offered by The Canada Life Assurance Company.

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

International Equity Fund (P) SF529

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

International Equity Fund (P) SF529

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in fair value measurements in the notes to the Schedule of Investment Portfolio.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

International Equity Fund (P) SF529

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) **Stocks**

Stocks are recorded at fair value determined with reference to closing quoted market prices, where the last traded price falls within the day's bid-ask spread, primarily provided by third party independent pricing sources. Fair values are determined on the basis of the closing price for a security on the recognized exchange on which it is principally traded at each reporting date. In circumstances where the last traded price is not within the bid-ask spread, the Company determines the point when the bid-ask spread that is most representative of fair value based on the specific facts and circumstances.

The fair value of unlisted securities is established using quotations determined by a major dealer in a particular security. Should the quoted value for a security, in the opinion of the Fund Manager, be inaccurate, unreliable, or not readily available, the value of the security is estimated using valuation techniques. Valuation techniques include the market approach (using recent arm's-length market transactions adjusted as necessary and reference to the current market value of another instrument that is substantially the same) and the income approach (discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible).

d) **Cash, Short-term Deposits and Overdrafts**

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) **Derivatives**

Derivatives are classified and measured at fair value. Derivatives are valued using market transactions and other market evidence whenever possible, including market based inputs to models, broker or dealer quotations or alternative pricing sources with reasonable levels of transparency. When models are used, the selection of a particular model to value a derivative depends on the contractual terms of, and specific risks inherent in, the instrument, as well as the availability of pricing information in the market. The Company generally uses similar models to value similar instruments. Valuation models require a variety of inputs, including contractual terms, market prices and rates, yield curves, credit curves, measures volatility, prepayment rates and correlations of such inputs.

f) **Classification of Units Issued by the Fund**

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

International Equity Fund (P) SF529

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

g) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

Dividend income - accrued as of the ex-dividend date and recorded on the accrual basis.

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

Miscellaneous income (loss)

Miscellaneous income (loss) generally includes the changes in foreign exchange rates between trade and settlement dates, foreign exchange rates on bank balances, securities lending income, derivative income, and management fee rebates.

h) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

International Equity Fund (P) SF529

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

i) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

j) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

k) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

l) Income Allocation

Net gain (loss) on investments, which includes dividend income, realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the net asset value (NAV) per unit.

m) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

n) Transaction Costs

Transaction costs, such as brokerage commissions, incurred in the purchase and sale of securities by the Fund are charged to expenses in the year.

International Equity Fund (P) SF529

Notes to the Financial Statements

(in Canadian \$ thousands)

3. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Emperor,
- Flex,
- Generations/Mosaic,
- Generations I,
- Generations II,
- Generations Core,
- Prestige/Prestige Plus, and
- Private Collections.

In addition to the Individual units, units are available for:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

Portfolio units are those units owned by the Asset Allocation Funds. Each Portfolio fund is represented by a separate category.

The categories of units, and the various levels within each, are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

4. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

International Equity Fund (P) SF529

Notes to the Financial Statements

(in Canadian \$ thousands)

5. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

6. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

7. DERIVATIVE FINANCIAL INSTRUMENTS

Derivative contracts, including forward currency, futures and equity swap contracts, are valued at the gain or loss that would arise as a result of closing the position at the reporting date. Options are recorded at fair value as at the reporting date. The Fund may use derivative contracts to hedge against losses caused by changes in securities prices, interest rates, exchange rates and/or other risks. The Fund may also use derivative contracts for non-hedging purposes in order to invest indirectly in financial markets or to gain exposure to other currencies, provided the use of such derivatives is consistent with the Fund's investment objectives and strategies. Foreign currency risk and exposure may be direct or indirect and can include all or a portion of the currency exposure of an existing investment or group of investments. Any such gain or loss on derivative contracts is recorded as part of net gain (loss) on investments.

As at the reporting date, the unrealized gain (loss) on derivative contracts is reflected on the Statement of Financial Position of the Fund.

The Fund manages derivative credit risk through collateral arrangements where required. The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are implemented by the Fund regarding the acceptability of types of collateral and the valuation parameters. The Fund Manager monitors the value of the collateral and requests additional collateral when needed.

International Equity Fund (P) SF529

Notes to the Financial Statements

(in Canadian \$ thousands)

8. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.
- c) The Fund invests in assets or underlying funds managed by Putnam Investments, LLC or its subsidiaries. All investment transactions with the corresponding underlying funds are at quoted market prices.

International Equity Fund (P) SF529

Supplemental Information (unaudited)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾

For the years ended December 31	2023	2022	2021	2020	2019
75/75 guarantee policy	2.90	2.91	2.90	2.91	2.92
75/100 guarantee policy	3.12	3.12	3.12	3.13	3.14
100/100 guarantee policy	3.55	3.55	3.55	3.57	3.58
PS1 75/75 guarantee policy	2.39	2.39	2.39	2.41	2.41
PS1 75/100 guarantee policy	2.66	2.67	2.67	2.68	2.68
PS 100/100 guarantee policy	—	—	—	—	2.50
PPS 75/100 guarantee policy	1.58	1.58	1.58	1.58	1.58
PPS 100/100 guarantee policy	—	—	—	2.06	2.02

Portfolio Turnover Rate (%) ⁽²⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	70.89	86.02	82.94	115.41	76.67

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
GLOBAL UNCONSTRAINED FUND (MACKENZIE) SF530

December 31, 2023

Independent Auditor's Report

To the Contractholders of Global Unconstrained Fund (Mackenzie) SF530 (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

Global Unconstrained Fund (Mackenzie) SF530

(in Canadian \$ thousands)

Fund Manager: Mackenzie Investments

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ 137	\$ —
Investment income due and accrued	—	—
Due from The Canada Life Assurance Company (note 8)	—	—
Due from brokers	—	2,519
Due from outside parties	—	—
Investments		
Investment fund units (note 3)	158,223	150,205
Total investments	158,223	150,205
Total assets	\$ 158,360	\$ 152,724
Liabilities		
Overdrafts	\$ —	\$ 1,991
Due to The Canada Life Assurance Company (note 8)	38	90
Due to brokers	180	—
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	218	2,081
Net assets attributable to contractholders	\$ 158,142	\$ 150,643

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 11,216	\$ (10,997)
Miscellaneous income (loss)	—	—
Total income (loss)	11,216	(10,997)
Expenses		
Management fees (note 8)	1,548	1,499
Other	188	173
Total expenses	1,736	1,672
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 9,480	\$ (12,669)

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year		
	\$ 150,643	\$ 167,231
Contractholder deposits	21,095	22,046
Contractholder withdrawals	(23,076)	(25,965)
Increase (decrease) in net assets from operations attributable to contractholders	9,480	(12,669)
Change in net assets attributable to contractholders	7,499	(16,588)
Net assets attributable to contractholders - end of year	\$ 158,142	\$ 150,643

Global Unconstrained Fund (Mackenzie) SF530

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 9,480	\$ (12,669)
Adjustments		
Realized (gains) losses	2,096	2,264
Unrealized (gains) losses	(4,930)	16,185
Gross proceeds of disposition of investments	16,525	18,579
Gross payments for the purchase of investments	(13,327)	(12,763)
Distribution income of underlying mutual fund	(8,382)	(7,452)
Change in due from/to The Canada Life Assurance Company	(52)	247
Change in due from/to brokers	2,699	(2,609)
	<u>4,109</u>	<u>1,782</u>
Financing Activities		
Contractholder deposits	21,095	22,046
Contractholder withdrawals	(23,076)	(25,965)
	<u>(1,981)</u>	<u>(3,919)</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	2,128	(2,137)
Cash, short-term deposits and overdrafts, beginning of year	(1,991)	146
Cash, short-term deposits and overdrafts, end of year	\$ 137	\$ (1,991)

Global Unconstrained Fund (Mackenzie) SF530

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units)

As at December 31, 2023

	<u>No. of Units</u>	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units			
Mackenzie Unconstrained Fixed Income Fund Series S *	17,995,628	174,068	158,223
Total Investments		174,068	158,223

Top 25 Holdings

Security Description	% of Total
Cash and short-term deposits	3.34%
United States Treasury Inflation Index 0.50% 04-15-2024 Real Return	2.58%
United States Treasury 0.13% 07-15-2024 Inflation Indexed	2.42%
Mackenzie Canadian All Corporate Bond Index ETF *	2.38%
United States Treasury 3.50% 02-15-2033	1.95%
Northleaf Private Credit II LP MI 15 *	1.73%
Mackenzie Canadian Short Term Bond Index ETF *	1.70%
United States Treasury Inflation Index 0.125% 02-15-2052 Real Return	1.41%
Republic of South Africa Government Bond 8.88% 02-28-2035	1.25%
Federative Republic of Brazil 10.00% 01-01-2027	1.04%
Enbridge Inc. 5.375% 09-27-2077	1.03%
International Finance Corp. 7.75% 01-18-2030	1.03%
Enbridge Inc. 8.747% 01-15-2084	1.02%
Microsoft Corp. 2.525% 06-01-2050	0.95%
Sagard Credit Partners II LP *	0.89%
Federal Republic of Germany 0.00% 08-15-2052	0.87%
America Movil SAB de CV 9.50% 01-27-2031	0.81%
United States Treasury Inflation Index 1.50% 02-15-2053 Real Return	0.81%
United States Treasury Inflation Index 0.125% 01-15-2032 Real Return	0.79%
Mackenzie Global Sustainable Bond ETF *	0.74%
Mackenzie US Investment Grade Corporate Bond Hedged to CAD Index ETF *	0.74%
Mackenzie Emerging Markets Bond Index ETF *	0.73%
Exxon Mobil Corp. 3.095% 08-16-2049	0.63%
Schlumberger Holdings Corp. 3.90% 05-17-2028	0.63%
Manulife Financial Corp. 7.117% 06-19-2082	0.60%

*The issuer of this security is a related company to the issuer of the Fund.

Global Unconstrained Fund (Mackenzie) SF530

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance. Portfolio units are allocated to each category as described in note 4 and are not included on this page.

Net Assets Attributable to Contractholders by Category

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
75/75 guarantee policy	949,703	918,025	912,040	809,130	412,513	10,710	9,844	10,703	9,719	4,763
75/100 guarantee policy	2,668,464	2,750,912	2,771,400	2,357,095	1,294,351	29,822	29,266	32,300	28,150	14,875
100/100 guarantee policy	111,514	131,635	160,247	155,186	138,224	1,229	1,384	1,849	1,838	1,577
PS1 75/75 guarantee policy	767,130	564,191	501,464	307,714	223,531	9,077	6,311	6,103	3,812	2,646
PS1 75/100 guarantee policy	2,184,330	2,221,761	2,184,876	1,831,479	1,375,558	25,610	24,654	26,409	22,554	16,204
PS1 100/100 guarantee policy	63,925	77,662	75,329	58,249	40,931	739	852	901	711	479
PS2 75/75 guarantee policy	198,269	196,215	252,938	171,755	126,270	2,702	2,484	3,423	2,325	1,605
PS2 75/100 guarantee policy	282,363	447,715	289,017	203,162	86,957	3,849	5,669	3,912	2,750	1,106
PS2 100/100 guarantee policy	79,717	26,499	27,147	27,828	39,567	1,086	335	367	377	503
PS 75/75 guarantee policy	131,086	69,322	49,525	33,356	7,395	1,359	679	528	362	77
PS 75/100 guarantee policy	267,071	183,135	139,884	60,275	38,703	2,752	1,786	1,486	653	401
PS 100/100 guarantee policy	24,227	1,514	2,482	—	220	248	15	26	—	2
PPS 75/75 guarantee policy	180,430	141,853	70,768	29,795	—	1,931	1,428	771	328	—
PPS 75/100 guarantee policy	551,297	460,504	366,204	79,529	61,649	5,865	4,611	3,972	874	644
PPS 100/100 guarantee policy	—	—	4,617	—	64	—	—	50	—	1

Net Assets Attributable to Contractholders Per Unit (note 7)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
75/75 guarantee policy	11.28	10.72	11.73	12.01	11.55	0.56	(1.01)
75/100 guarantee policy	11.18	10.64	11.65	11.94	11.49	0.54	(1.01)
100/100 guarantee policy	11.02	10.51	11.54	11.84	11.41	0.51	(1.03)
PS1 75/75 guarantee policy	11.83	11.19	12.17	12.39	11.84	0.64	(0.98)
PS1 75/100 guarantee policy	11.72	11.10	12.09	12.31	11.78	0.62	(0.99)
PS1 100/100 guarantee policy	11.57	10.97	11.96	12.21	11.70	0.60	(0.99)
PS2 75/75 guarantee policy	13.63	12.66	13.53	13.53	12.71	0.97	(0.87)
PS2 75/100 guarantee policy	13.63	12.66	13.54	13.54	12.72	0.97	(0.88)
PS2 100/100 guarantee policy	13.63	12.66	13.53	13.53	12.71	0.97	(0.87)
PS 75/75 guarantee policy	10.36	9.80	10.67	10.86	10.38	0.56	(0.87)
PS 75/100 guarantee policy	10.30	9.75	10.63	10.83	10.36	0.55	(0.88)
PS 100/100 guarantee policy	10.22	9.69	10.58	—	10.34	0.53	(0.89)
PPS 75/75 guarantee policy	10.70	10.06	10.89	11.02	—	0.64	(0.83)
PPS 75/100 guarantee policy	10.64	10.01	10.85	10.99	10.45	0.63	(0.84)
PPS 100/100 guarantee policy	—	—	10.81	—	10.44	—	—

Global Unconstrained Fund (Mackenzie) SF530

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Global Unconstrained Fund (Mackenzie) SF530 (the Fund) is offered by The Canada Life Assurance Company (Canada Life or the Company).

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

Global Unconstrained Fund (Mackenzie) SF530

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

Global Unconstrained Fund (Mackenzie) SF530

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in note 9 on Financial Instrument Risk Management.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

Global Unconstrained Fund (Mackenzie) SF530

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Investment Fund Units

Investment fund units are recorded at fair value, which is the closing net asset value (NAV) per unit of the underlying fund.

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Global Unconstrained Fund (Mackenzie) SF530

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

Global Unconstrained Fund (Mackenzie) SF530

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

k) Income Allocation

Net gain (loss) on investments, which includes realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the NAV per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

3. INVESTMENT FUND UNITS

Investment fund units of the Fund invest solely in underlying mutual funds.

As the Fund's assets are invested in underlying investment funds, the Fund indirectly pays management fees and operating expenses of the underlying funds. All such charges are included in the management expense ratio of the segregated funds.

Distributions of income from the underlying investment funds are shown as net gain (loss) on investments on the Statement of Comprehensive Income.

Investment activity of the underlying fund indirectly exposes the Fund to financial risk. See note 9 on Financial Instrument Risk Management.

Investments in unconsolidated structured entities

The Company has determined that the Fund meets the definition of an investment entity and as such, accounts for its holdings in unlisted open-ended investment funds at FVTPL. The Company has concluded that the underlying funds in which the Fund invests, but do not consolidate, meet the definition of structured entities because: (i) the voting rights in the underlying funds are not dominant rights in deciding who controls them; (ii) each underlying fund's activities are restricted by its prospectus; and (iii) the underlying funds have narrow and well-defined objectives to provide investment opportunities to investors.

Global Unconstrained Fund (Mackenzie) SF530

Notes to the Financial Statements

(in Canadian \$ thousands)

4. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Emperor,
- Flex,
- Generations/Mosaic,
- Generations I,
- Generations II,
- Generations Core,
- Prestige/Prestige Plus, and
- Private Collections.

In addition to the Individual units, units are available for:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

Portfolio units are those units owned by the Asset Allocation Funds. Each Portfolio fund is represented by a separate category.

The categories of units, and the various levels within each, are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

Global Unconstrained Fund (Mackenzie) SF530

Notes to the Financial Statements

(in Canadian \$ thousands)

5. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

6. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

7. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

Global Unconstrained Fund (Mackenzie) SF530

Notes to the Financial Statements

(in Canadian \$ thousands)

8. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.
- c) The Fund invests in assets or underlying funds managed by Mackenzie Financial Corporation, which operates as Mackenzie Investments. All investment transactions with the corresponding underlying funds are at quoted market prices.

Global Unconstrained Fund (Mackenzie) SF530

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT

a) Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023. The following sections describe the significant risks that are relevant to the Fund.

To assist with managing risk, the Fund Manager maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and securities regulations. Financial statements for the underlying funds, which include discussions about their respective risk exposure, are available upon request.

b) Liquidity Risk

Liquidity risk arises when a Fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units. As the Fund primarily invests all of its net assets in the underlying funds, liquidity risk is mitigated by the underlying funds' ability to meet the obligation to fund daily cash redemptions of their redeemable units/shares. In addition, the underlying funds retain sufficient cash and cash equivalent positions to maintain adequate liquidity.

c) Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The Fund's investments in all underlying funds are denominated in Canadian dollars. However, the Fund is indirectly exposed to currency risk to the extent that the investments of the underlying funds are denominated or traded in a foreign currency.

d) Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund does not directly hold any interest-bearing financial instruments. The Fund is indirectly exposed to the risk that the value of interest-bearing financial instruments held by the underlying funds will fluctuate due to changes in the prevailing levels of market interest rates.

e) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund has no direct exposure to credit risk. The greatest indirect concentration of credit risk is in debt securities, such as bonds, held by underlying funds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer.

f) Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. For the instruments held by the Fund, maximum risk of loss is equivalent to their fair value. The Fund Manager moderates this risk through a careful selection of underlying funds within the parameters of the investment strategy.

g) Fair Value Classification

Investment Fund Units are recorded at fair value, which is the closing NAV per unit of the underlying fund. This valuation is considered to be a Level 1 classification.

Global Unconstrained Fund (Mackenzie) SF530

Supplemental Information (unaudited)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾

For the years ended December 31	2023	2022	2021	2020	2019
75/75 guarantee policy	2.34	2.33	2.33	2.29	2.32
75/100 guarantee policy	2.45	2.44	2.44	2.40	2.43
100/100 guarantee policy	2.62	2.61	2.61	2.57	2.60
PS1 75/75 guarantee policy	1.76	1.75	1.75	1.71	1.72
PS1 75/100 guarantee policy	1.87	1.87	1.86	1.82	1.83
PS1 100/100 guarantee policy	2.04	2.03	2.03	1.98	1.99
PS 75/75 guarantee policy	1.78	1.77	1.77	1.74	1.76
PS 75/100 guarantee policy	1.89	1.88	1.88	1.86	1.87
PS 100/100 guarantee policy	2.06	2.07	2.04	—	2.04
PPS 75/75 guarantee policy	1.20	1.19	1.19	1.15	—
PPS 75/100 guarantee policy	1.32	1.31	1.30	1.27	1.28
PPS 100/100 guarantee policy	—	—	1.47	—	1.44

Unsubsidized Management Expense Ratio (%) ⁽²⁾

For the years ended December 31	2023	2022	2021	2020	2019
PS1 75/75 guarantee policy	1.76	1.75	1.75	1.73	1.74
PS1 75/100 guarantee policy	1.87	1.87	1.86	1.84	1.85
PS1 100/100 guarantee policy	2.04	2.03	2.03	2.00	2.01
PPS 75/75 guarantee policy	1.20	1.19	1.19	1.17	—
PPS 75/100 guarantee policy	1.32	1.31	1.30	1.29	1.30

Portfolio Turnover Rate (%) ⁽³⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	8.34	8.25	7.73	18.97	8.66

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The Company has waived a portion of the fees for the Preferred Series 1 and Preferred Partner Series guarantee policies. There is no obligation for the Company to continue waiving these fees and it may cease to do so at any time without notice.

(3) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
CORE BOND FUND (PIM) SF531

December 31, 2023

Independent Auditor's Report

To the Contractholders of Core Bond Fund (PIM) SF531 (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

Core Bond Fund (PIM) SF531

(in Canadian \$ thousands)

Fund Manager: Mackenzie Investments

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ 21,337	\$ 13,148
Investment income due and accrued	2,278	1,868
Due from The Canada Life Assurance Company (note 8)	108	170
Due from brokers	—	—
Due from outside parties	—	—
Investments		
Bonds	352,264	304,949
Stocks	11,942	9,224
Investment fund units	—	—
Derivatives (note 7)	1,332	150
Total investments	365,538	314,323
Total assets	\$ 389,261	\$ 329,509
Liabilities		
Overdrafts	\$ —	\$ —
Due to The Canada Life Assurance Company (note 8)	—	—
Due to brokers	183	—
Due to outside parties	—	—
Derivatives (note 7)	280	—
Total liabilities excluding net assets attributable to contractholders	463	—
Net assets attributable to contractholders	\$ 388,798	\$ 329,509

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 23,167	\$ (40,945)
Miscellaneous income (loss)	228	431
Total income (loss)	23,395	(40,514)
Expenses		
Management fees (note 8)	1,438	1,295
Transaction costs	1	1
Withholding taxes	—	—
Other	168	214
Total expenses	1,607	1,510
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 21,788	\$ (42,024)

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year		
	\$ 329,509	\$ 417,064
Contractholder deposits	73,044	38,207
Contractholder withdrawals	(35,543)	(83,738)
Increase (decrease) in net assets from operations attributable to contractholders	21,788	(42,024)
Change in net assets attributable to contractholders	59,289	(87,555)
Net assets attributable to contractholders - end of year	\$ 388,798	\$ 329,509

Core Bond Fund (PIM) SF531

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 21,788	\$ (42,024)
Adjustments		
Add back amortization of premium (discount)	(502)	151
Realized (gains) losses	9,159	21,619
Unrealized (gains) losses	(20,132)	28,655
Gross proceeds of disposition of investments	263,445	390,600
Gross payments for the purchase of investments	(302,905)	(362,645)
Change in investment income due and accrued	(410)	(266)
Change in due from/to The Canada Life Assurance Company	62	(49)
Change in due from/to brokers	183	(19,830)
Change in due from/to outside parties	—	—
	<u>(29,312)</u>	<u>16,211</u>
Financing Activities		
Contractholder deposits	73,044	38,207
Contractholder withdrawals	(35,543)	(83,738)
	<u>37,501</u>	<u>(45,531)</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	8,189	(29,320)
Cash, short-term deposits and overdrafts, beginning of year	13,148	42,468
Cash, short-term deposits and overdrafts, end of year	\$ 21,337	\$ 13,148
Supplementary cash flow information		
Interest income received	\$ 9,985	\$ 8,778
Dividend income received	427	261

Core Bond Fund (PIM) SF531

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	No. of Units, Shares or <u>Par Value</u>	Average <u>Cost</u>	Fair <u>Value</u>
Canadian Bonds			
Federal Government			
CPPIB Capital Inc. 2.25% 12-01-2031	40,000	40	36
CPPIB Capital Inc. 3.95% 06-02-2032	769,000	765	781
Government of Canada 0.25% 12-01-2054 Real Return	1,400,000	1,014	1,167
Government of Canada 0.50% 12-01-2050 Real Return	2,834,000	2,798	2,765
Government of Canada 1.75% 12-01-2053	4,855,000	3,093	3,648
Government of Canada 2.50% 12-01-2032	1,598,000	1,556	1,524
Government of Canada 2.75% 06-01-2033	36,938,000	34,883	35,899
Government of Canada 3.25% 09-01-2028	11,000	11	11
Total Federal Government		44,160	45,831
Provincial Government			
Ontario Power Generation Inc. 1.17% 04-22-2026	200,000	181	186
Ontario Power Generation Inc. 2.977% 09-13-2029	600,000	532	565
Ontario Power Generation Inc. 3.215% 04-08-2030	1,095,000	1,114	1,034
Ontario Power Generation Inc. 4.922% 07-19-2032	150,000	150	156
Ontario Teachers' Finance Trust 4.45% 06-02-2032	284,000	283	296
Province of Alberta 2.95% 06-01-2052	5,115,000	4,702	4,224
Province of Alberta 3.05% 12-01-2048	550,000	570	463
Province of Alberta 3.10% 06-01-2050	5,215,000	5,283	4,431
Province of Alberta 3.45% 12-01-2043	3,245,000	3,727	2,965
Province of British Columbia 2.85% 06-18-2025	1,550,000	1,646	1,520
Province of British Columbia 2.95% 06-18-2050	4,198,000	4,509	3,491
Province of British Columbia 3.55% 06-18-2033	2,597,000	2,357	2,552
Province of Manitoba 2.05% 09-05-2052	1,522,000	1,164	1,002
Province of Manitoba 2.85% 09-05-2046	315,000	319	254
Province of Manitoba 3.20% 03-05-2050	1,955,000	2,086	1,667
Province of Manitoba 3.80% 09-05-2053	353,000	327	336
Province of New Brunswick 2.35% 08-14-2027	1,560,000	1,618	1,492
Province of Nova Scotia 4.50% 06-01-2037	500,000	600	525
Province of Ontario 1.55% 11-01-2029	5,784,000	5,689	5,187
Province of Ontario 3.65% 06-02-2033	32,006,000	30,404	31,705
Province of Ontario 4.05% 02-02-2032	2,380,000	2,377	2,443
Province of Ontario 4.15% 12-02-2054	5,840,000	5,607	6,084
Province of Quebec 3.60% 09-01-2033	10,364,000	9,888	10,234
Province of Quebec 3.65% 05-20-2032	630,000	630	630
Province of Quebec 3.90% 11-22-2032	470,000	463	478

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Canadian Bonds (continued)			
Provincial Government (continued)			
Province of Quebec 4.40% 12-01-2055	10,931,000	11,134	11,930
Province of Saskatchewan 2.80% 12-02-2052	1,811,000	1,830	1,450
Province of Saskatchewan 3.10% 06-02-2050	2,770,000	2,880	2,359
Total Provincial Government		102,070	99,659
Municipal Government			
City of Montreal 3.15% 09-01-2028	274,000	299	268
City of Ottawa 3.05% 05-10-2039	55,000	58	48
City of Ottawa 3.25% 11-10-2047	21,000	23	18
City of Toronto 5.20% 06-01-2040	287,000	394	320
Total Municipal Government		774	654
Corporate - Non-convertible			
407 International Inc. 1.80% 05-22-2025	1,521,000	1,555	1,466
407 International Inc. 3.30% 03-27-2045	27,000	27	23
407 International Inc. 3.60% 05-21-2047	167,000	127	146
407 International Inc. 3.67% 03-08-2049	668,000	572	591
407 International Inc. 4.19% 04-25-2042	598,000	653	576
407 International Inc. 4.22% 02-14-2028	309,000	309	308
407 International Inc. 4.86% 07-31-2053	119,000	119	127
407 International Inc. 5.96% 12-03-2035	550,000	760	628
Aeroports de Montreal 3.03% 04-21-2050	5,000	4	4
Aeroports de Montreal 3.36% 04-24-2047	343,000	267	295
Aeroports de Montreal 3.918% 06-12-2045	26,000	24	24
Aeroports de Montreal 6.55% 10-11-2033	39,000	46	46
AIMCo Realty Investors LP 2.195% 11-04-2026	271,000	271	255
AIMCo Realty Investors LP 2.712% 06-01-2029	367,000	330	336
Algonquin Power & Utilities Corp. 4.09% 02-17-2027	51,000	58	50
Algonquin Power & Utilities Corp. 4.60% 01-29-2029	92,000	91	91
Algonquin Power Co. 2.85% 07-15-2031	267,000	267	233
Alimentation Couche-Tard 5.592% 09-25-2030	630,000	630	671
AltaGas Ltd. 2.166% 03-16-2027	485,000	485	450
AltaGas Ltd. 4.638% 05-15-2026	58,000	58	58
AltaLink LP 3.99% 06-30-2042	60,000	72	56
AltaLink LP 4.692% 11-28-2032	130,000	130	135

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Canadian Bonds (continued)			
Corporate - Non-convertible (continued)			
AltaLink LP 5.463% 10-11-2055	270,000	270	319
ARC Resources Ltd. 3.465% 03-10-2031	201,000	174	185
Athabasca Indigenous Midstream LP 6.069% 02-05-2042	49,085	49	52
Athene Global Funding 3.127% 03-10-2025	259,000	259	252
Bank of Montreal 2.70% 09-11-2024	1,700,000	1,639	1,673
Bank of Montreal 3.19% 03-01-2028	1,190,000	1,127	1,149
Bank of Montreal 4.30% 11-26-2025	402,000	408	381
Bank of Montreal 4.309% 06-01-2027	1,002,000	994	997
Bank of Montreal 4.537% 12-18-2028	592,000	592	595
Bank of Montreal 4.709% 12-07-2027	2,036,000	2,032	2,053
Bank of Montreal 6.034% 09-07-2033	976,000	974	1,018
Bank of Montreal 6.534% 10-27-2032	493,000	504	520
Bank of Montreal 7.325% 11-26-2082	944,000	945	941
BCI QuadReal Realty 1.056% 03-12-2024	156,000	156	155
BCI QuadReal Realty 1.073% 02-04-2026	246,000	245	230
BCI QuadReal Realty 2.551% 06-24-2026	8,000	7	8
BCIMC Realty Corp. 2.84% 06-03-2025	87,000	92	85
Bell Canada 2.20% 05-29-2028	225,000	225	207
Bell Canada 3.00% 03-17-2031	77,000	66	70
Bell Canada 5.15% 11-14-2028	259,000	259	268
Bell Canada 5.25% 03-15-2029	400,000	400	417
Bell Canada Inc. 4.45% 02-27-2047	31,000	36	29
Bell Canada Inc. 5.85% 11-10-2032	13,000	14	14
BMW Canada Inc. 0.99% 01-14-2025	147,000	147	141
Brookfield Infrastructure Finance ULC 2.855% 09-01-2032	47,000	45	40
Brookfield Infrastructure Finance ULC 4.193% 09-11-2028	1,008,000	995	988
Brookfield Infrastructure Finance ULC 5.616% 11-14-2027	397,000	397	410
Brookfield Renewable Energy Partners LP 3.63% 01-15-2027	274,000	295	267
Brookfield Renewable Partners ULC 4.25% 01-15-2029	1,479,000	1,684	1,458
Bruce Power LP 4.00% 06-21-2030	144,000	141	140
Bruce Power LP 4.99% 12-21-2032	70,000	70	72
CAE Inc. 5.541% 06-12-2028	214,000	214	220
Calgary Airport Authority 3.554% 10-07-2051	123,000	107	107
Calgary Airport Authority 3.554% 10-07-2053	130,000	105	112
Canadian Core Real Estate 3.299% 03-02-2027	286,000	286	268
Canadian Imperial Bank of Commerce 1.10% 01-19-2026	4,129,000	4,065	3,860
Canadian Imperial Bank of Commerce 1.96% 04-21-2031	4,067,000	4,082	3,799

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Canadian Bonds (continued)			
Corporate - Non-convertible (continued)			
Canadian Imperial Bank of Commerce 2.00% 04-17-2025	2,743,000	2,800	2,644
Canadian Imperial Bank of Commerce 4.20% 04-07-2032	243,000	240	237
Canadian Imperial Bank of Commerce 4.375% 10-28-2025	15,000	16	14
Canadian Imperial Bank of Commerce 4.95% 06-29-2027	1,375,000	1,388	1,394
Canadian Imperial Bank of Commerce 5.00% 12-07-2026	2,047,000	2,048	2,075
Canadian Imperial Bank of Commerce 5.05% 10-07-2027	259,000	258	264
Canadian Imperial Bank of Commerce 5.33% 01-20-2033	268,000	268	271
Canadian Imperial Bank of Commerce 5.35% 04-20-2033	244,000	244	247
Canadian Imperial Bank of Commerce 5.935% 07-14-2026	346,000	346	348
Canadian Imperial Bank of Commerce 7.15% 07-28-2082	220,000	219	219
Canadian National Railway Co. 3.00% 02-08-2029	245,000	256	233
Canadian National Railway Co. 4.40% 05-10-2033	235,000	235	238
Canadian Natural Resources Ltd. 3.42% 12-01-2026	65,000	69	63
Canadian Pacific Railway Ltd. 2.54% 02-28-2028	1,298,000	1,221	1,217
Canadian Pacific Railway Ltd. 3.15% 03-13-2029	446,000	404	424
Canadian Utilities Ltd. 4.851% 06-03-2052	288,000	286	299
Canadian Western Bank 1.926% 04-16-2026	463,000	464	436
Canadian Western Bank 2.597% 09-06-2024	926,000	877	909
Canadian Western Bank 2.606% 01-30-2025	170,000	174	165
Canadian Western Bank 3.859% 04-21-2025	436,000	436	429
Canadian Western Bank 5.146% 09-02-2027	251,000	251	255
Canadian Western Bank 5.261% 12-20-2025	147,000	147	148
Canadian Western Bank 5.937% 12-22-2032	116,000	116	115
Capital Power Corp. 4.284% 09-18-2024	338,000	373	335
Capital Power Corp. 4.986% 01-23-2026	300,000	294	299
Capital Power Corp. 5.816% 09-15-2028	230,000	230	239
Capital Power Corp. 5.973% 01-25-2034	250,000	250	261
CDP Financial Inc. 1.50% 10-19-2026	720,000	719	676
Cenovus Energy Inc. 3.50% 02-07-2028	444,000	438	428
Cenovus Energy Inc. 3.60% 03-10-2027	117,000	114	114
Central 1 Credit Union 5.877% 11-10-2026	194,000	194	199
Choice Properties REIT 2.456% 11-30-2026	156,000	156	147
Choice Properties REIT 2.848% 05-21-2027	195,000	200	184
Choice Properties REIT 3.532% 06-11-2029	1,200,000	1,070	1,133
Choice Properties REIT 5.40% 03-01-2033	567,000	568	581
Choice Properties REIT 5.699% 02-28-2034	304,000	303	319
Choice Properties REIT 6.003% 06-24-2032	51,000	53	55

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Canadian Bonds (continued)			
Corporate - Non-convertible (continued)			
Coast Capital Savings Federal Credit Union 7.005% 09-28-2026	360,000	360	372
Cogeco Communications Inc. 2.991% 09-22-2031	271,000	270	237
Cogeco Communications Inc. 5.299% 02-16-2033	110,000	110	112
Crombie REIT 2.686% 03-31-2028	560,000	560	509
Crombie REIT 3.133% 08-12-2031	88,000	88	75
Crombie REIT 3.677% 08-26-2026	16,000	17	15
CU Inc. 2.963% 09-07-2049	350,000	270	271
CU Inc. 4.085% 09-02-2044	607,000	608	573
CU Inc. 4.773% 09-14-2052	270,000	270	285
CU Inc. 5.088% 09-20-2053	280,000	280	310
Dollarama Inc. 5.084% 10-27-2025	101,000	101	102
Dollarama Inc. 5.533% 09-26-2028	297,000	297	313
Dream Industrial REIT 1.662% 12-22-2025	172,000	172	162
Dream Industrial REIT 2.057% 06-17-2027	320,000	306	291
Dream Industrial REIT 2.539% 12-07-2026	206,000	206	193
Dream Industrial REIT 5.383% 03-22-2028	103,000	103	105
Dream Industrial REIT 5.383% 03-22-2028	180,000	181	183
Enbridge Gas Inc. 2.35% 09-15-2031	559,000	468	491
Enbridge Gas Inc. 2.37% 08-09-2029	276,000	237	253
Enbridge Gas Inc. 3.20% 09-15-2051	440,000	399	347
Enbridge Gas Inc. 4.55% 08-17-2052	516,000	486	515
Enbridge Gas Inc. 5.70% 10-06-2033	193,000	193	213
Enbridge Inc. 3.10% 09-21-2033	758,000	753	655
Enbridge Inc. 4.90% 05-26-2028	301,000	301	306
Enbridge Inc. 5.375% 09-27-2077	3,011,000	3,138	2,838
Enbridge Inc. 6.625% 04-12-2078	1,401,000	1,551	1,382
Enbridge Inc. 8.495% 01-15-2084	99,000	103	104
Enbridge Inc. 8.747% 01-15-2084	342,000	350	369
Enbridge Pipelines Inc. 4.33% 02-22-2049	219,000	212	193
Enbridge Pipelines Inc. 4.55% 09-29-2045	46,000	41	42
Enbridge Pipelines Inc. 5.33% 04-06-2040	450,000	516	454
Enbridge Pipelines Inc. 5.82% 08-17-2053	39,000	42	43
Energir Inc. 2.10% 04-16-2027	128,000	131	120
Energir LP 4.67% 09-27-2032	201,000	201	206
EPCOR Utilities Inc. 3.106% 07-08-2049	170,000	127	136
EPCOR Utilities Inc. 3.554% 11-27-2047	40,000	41	35
EPCOR Utilities Inc. 4.725% 09-02-2052	271,000	271	284

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Canadian Bonds (continued)			
Corporate - Non-convertible (continued)			
EPCOR Utilities Inc. 5.326% 10-03-2053	591,000	613	679
Equitable Bank 1.876% 11-26-2025	48,000	43	45
Equitable Bank 3.362% 03-02-2026	227,000	227	218
Fairfax Financial Holdings Ltd. 3.95% 03-03-2031	614,000	586	578
Federation des Caisses Desjardins du Quebec 1.093% 01-21-2026	4,180,000	4,096	3,904
Federation des Caisses Desjardins du Quebec 1.587% 09-10-2026	205,000	205	191
Federation des Caisses Desjardins du Quebec 2.856% 05-26-2030	370,000	394	358
Federation des Caisses Desjardins du Quebec 4.407% 05-19-2027	654,000	654	652
Federation des Caisses Desjardins du Quebec 5.035% 08-23-2032	570,000	570	570
Federation des Caisses Desjardins du Quebec 5.20% 10-01-2025	442,000	442	445
Federation des Caisses Desjardins du Quebec 5.467% 11-17-2028	359,000	359	374
Federation des Caisses Desjardins du Quebec 5.475% 08-16-2028	150,000	150	156
Finning International Inc. 4.445% 05-16-2028	194,000	194	194
First Capital REIT 3.447% 03-01-2028	178,000	157	164
First National Financial Corp. 2.961% 11-17-2025	17,000	17	16
First West Credit Union 9.186% 08-09-2033	210,000	210	222
Ford Credit Canada Co. 6.326% 11-10-2026	230,000	230	236
Fortis Inc. 4.431% 05-31-2029	467,000	467	468
Fortis Inc. 5.677% 11-08-2033	350,000	350	379
General Motors Financial of Canada Ltd. 5.20% 02-09-2028	173,000	173	175
Gibson Energy Inc. 5.75% 07-12-2033	286,000	287	301
Granite REIT Holdings LP 2.194% 08-30-2028	660,000	615	589
Granite REIT Holdings LP 2.378% 12-18-2030	125,000	103	106
Granite REIT Holdings LP 3.062% 06-04-2027	263,000	259	249
Greater Toronto Airports Authority 1.54% 05-03-2028	9,000	8	8
Greater Toronto Airports Authority 2.75% 10-17-2039	1,021,000	1,030	835
Greater Toronto Airports Authority 5.30% 02-25-2041	500,000	651	557
Greater Toronto Airports Authority 5.63% 06-07-2040	121,000	164	139
Greater Toronto Airports Authority 6.47% 02-02-2034	181,000	250	212
Greater Toronto Airports Authority 7.05% 06-12-2030	254,000	290	293
Greater Toronto Airports Authority 7.10% 06-04-2031	254,000	294	298
H&R REIT 4.071% 06-16-2025	605,000	652	591
Home Trust Co. 5.317% 06-13-2024	317,000	317	315
Honda Canada Finance Inc. 4.873% 09-23-2027	199,000	199	202
Honda Canada Finance Inc. 5.73% 09-28-2028	200,000	200	212
HSBC Bank Canada 3.403% 03-24-2025	560,000	559	550
Hydro One Inc. 2.23% 09-17-2031	458,000	444	403

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Canadian Bonds (continued)			
Corporate - Non-convertible (continued)			
Hydro One Inc. 4.16% 01-27-2033	173,000	173	173
Hydro One Inc. 4.39% 09-26-2041	607,000	730	599
Hydro One Inc. 4.59% 10-09-2043	452,000	427	458
Hydro One Inc. 4.85% 11-30-2054	379,000	379	408
Hydro One Inc. 4.89% 03-13-2037	455,000	443	472
Hydro One Inc. 4.91% 01-27-2028	386,000	386	399
Hydro One Inc. 6.93% 06-01-2032	330,000	384	389
Hydro One Inc. 7.35% 06-03-2030	507,000	581	593
Hydro One Ltd. 1.41% 10-15-2027	39,000	38	36
Hyundai Capital Canada Inc. 5.565% 03-08-2028	210,000	213	216
iA Financial Corp. Inc. 2.40% 02-21-2025	14,000	14	14
iA Financial Corp. Inc. 5.685% 06-20-2033	171,000	171	176
Intact Financial Corp. 4.125% 03-31-2081	81,000	81	72
Intact Financial Corp. 5.459% 09-22-2032 144A	187,000	248	248
Inter Pipeline Ltd. 3.484% 12-16-2026	531,000	554	513
Inter Pipeline Ltd. 4.232% 06-01-2027	310,000	302	305
Inter Pipeline Ltd. 5.76% 02-17-2028	80,000	79	83
John Deere Financial Inc. 5.17% 09-15-2028	99,000	98	104
Keyera Corp. 3.959% 05-29-2030	1,040,000	1,105	989
Laurentian Bank of Canada 1.15% 06-03-2024	264,000	264	259
Laurentian Bank of Canada 4.60% 09-02-2025	346,000	346	342
Loblaw Companies Ltd. 2.284% 05-07-2030	62,000	51	55
Loblaw Companies Ltd. 5.336% 09-13-2052	181,000	181	197
Lower Mattagami Energy LP 2.433% 05-14-2031	280,000	280	250
Lower Mattagami Energy LP 4.854% 10-31-2033	160,000	160	168
Magna International Inc. 4.95% 01-31-2031	235,000	235	242
Manulife Bank of Canada 1.536% 09-14-2026	426,000	426	397
Manulife Bank of Canada 2.864% 02-16-2027	500,000	500	479
Manulife Financial Corp. 3.049% 08-20-2029	234,000	248	230
Manulife Financial Corp. 5.409% 03-10-2033	797,000	789	815
Manulife Financial Corp. 7.117% 06-19-2082	440,000	437	441
MCAP Commercial LP 3.743% 08-25-2025	29,000	30	28
Metro Inc. 4.657% 02-07-2033	80,000	80	81
National Bank of Canada 1.534% 06-15-2026	238,000	230	222
National Bank of Canada 2.545% 07-12-2024	3,000,000	3,139	2,958
National Bank of Canada 4.968% 12-07-2026	567,000	567	574
National Bank of Canada 5.023% 02-01-2029	234,000	234	240

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Canadian Bonds (continued)			
Corporate - Non-convertible (continued)			
National Bank of Canada 5.219% 06-14-2028	508,000	507	523
National Bank of Canada 5.296% 11-03-2025	275,000	276	278
National Bank of Canada 5.426% 08-16-2032	564,000	564	570
North West Redwater Partnership 2.80% 06-01-2027	3,396,000	3,532	3,239
North West Redwater Partnership 3.20% 04-24-2026	1,367,000	1,408	1,332
North West Redwater Partnership 3.20% 07-22-2024	1,000,000	1,001	988
North West Redwater Partnership 3.65% 06-01-2035	329,000	283	302
North West Redwater Partnership 3.70% 02-23-2043	1,213,000	1,155	1,057
North West Redwater Partnership 4.15% 06-01-2033	806,000	727	784
North West Redwater Partnership 4.25% 06-01-2029	195,000	195	195
North West Redwater Partnership/NWR Financing Co. Ltd. 2.80% 06-01-2031	879,000	847	788
OMERS Finance Trust 2.60% 05-14-2029	54,000	56	51
Pembina Pipeline Corp. 4.02% 03-27-2028	1,124,000	1,067	1,100
Pembina Pipeline Corp. 4.74% 01-21-2047	69,000	76	63
Pembina Pipeline Corp. 4.81% 03-25-2044	1,225,000	1,300	1,132
Pembina Pipeline Corp. 5.72% 06-22-2026	239,000	239	240
Prime Structured Mortgage Trust 1.856% 11-15-2024	336,000	336	326
Prologis LP 5.25% 01-15-2031	110,000	108	114
PSP Capital Inc. 0.90% 06-15-2026	900,000	816	838
PSP Capital Inc. 2.60% 03-01-2032	100,000	100	92
PSP Capital Inc. 4.15% 06-01-2033	5,000	5	5
Reliance LP 2.67% 08-01-2028	291,000	291	263
Reliance LP 2.68% 12-01-2027	783,000	793	719
Reliance LP 3.75% 03-15-2026	17,000	18	17
RioCan REIT 2.361% 03-10-2027	27,000	27	25
RioCan REIT 2.576% 02-12-2025	412,000	421	400
RioCan REIT 2.829% 11-08-2028	556,000	493	499
RioCan REIT 4.628% 05-01-2029	100,000	100	97
RioCan REIT 5.611% 10-06-2027	140,000	140	142
RioCan REIT 5.962% 10-01-2029	294,000	294	303
Rogers Communications Inc. 3.10% 04-15-2025	49,000	47	48
Rogers Communications Inc. 3.75% 04-15-2029	780,000	779	751
Rogers Communications Inc. 5.70% 09-21-2028	560,000	559	588
Rogers Communications Inc. 6.68% 11-04-2039	26,000	36	29
Rogers Communications Inc. 6.75% 11-09-2039	34,000	47	39
Royal Bank of Canada 2.088% 06-30-2030	4,250,000	4,330	4,073
Royal Bank of Canada 2.14% 11-03-2031	440,000	440	408

Core Bond Fund (PIM) SF531

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or <u>Par Value</u>	Average <u>Cost</u>	Fair <u>Value</u>
Canadian Bonds (continued)			
Corporate - Non-convertible (continued)			
Royal Bank of Canada 2.328% 01-28-2027	664,000	598	626
Royal Bank of Canada 2.609% 11-01-2024	1,861,000	1,793	1,823
Royal Bank of Canada 3.369% 09-29-2025	1,001,000	970	979
Royal Bank of Canada 4.612% 07-26-2027	946,000	935	952
Royal Bank of Canada 4.632% 05-01-2028	313,000	313	316
Royal Bank of Canada 4.642% 01-17-2028	579,000	579	584
Royal Bank of Canada 5.01% 02-01-2033	313,000	313	314
Royal Bank of Canada 5.235% 11-02-2026	533,000	535	544
Royal Bank of Canada 5.341% 06-23-2026	347,000	347	354
Sagen MI Canada Inc. 3.261% 03-05-2031	118,000	118	100
Sagen MI Canada Inc. 4.95% 03-24-2081	185,000	185	161
Saputo Inc. 2.876% 11-19-2024	3,374,000	3,519	3,306
Saputo Inc. 5.492% 11-20-2030	330,000	330	346
Sienna Senior Living Inc. 2.82% 03-31-2027	100,000	100	92
Sienna Senior Living Inc. 3.45% 02-27-2026	470,000	480	449
Sun Life Financial Inc. 2.06% 10-01-2035	69,000	66	58
Sun Life Financial Inc. 2.38% 08-13-2029	247,000	257	242
Sun Life Financial Inc. 2.58% 05-10-2032	4,060,000	4,165	3,796
Sun Life Financial Inc. 2.80% 11-21-2033	450,000	450	413
Sun Life Financial Inc. 4.78% 08-10-2034	598,000	595	598
Sun Life Financial Inc. 5.50% 07-04-2035	250,000	250	259
Suncor Energy Inc. 3.95% 03-04-2051	309,000	305	258
Suncor Energy Inc. 5.40% 11-17-2026	453,000	452	464
TELUS Corp. 2.05% 10-07-2030	377,000	355	323
TELUS Corp. 2.85% 11-13-2031	33,000	28	29
TELUS Corp. 3.15% 02-19-2030	221,000	234	205
TELUS Corp. 3.30% 05-02-2029	928,000	930	880
TELUS Corp. 4.70% 03-06-2048	398,000	323	370
TELUS Corp. 4.95% 03-28-2033	152,000	152	154
Teranet Holdings LP 3.544% 06-11-2025	57,000	61	55
Teranet Holdings LP 3.719% 02-23-2029	658,000	658	614
The Bank of Nova Scotia 2.95% 03-08-2027	309,000	289	295
The Bank of Nova Scotia 3.10% 02-02-2028	1,450,000	1,517	1,396
The Bank of Nova Scotia 3.934% 05-03-2032	316,000	316	305
The Bank of Nova Scotia 5.50% 05-08-2026	1,812,000	1,804	1,850
The Bank of Nova Scotia 5.50% 12-29-2025	648,000	647	658
The Bank of Nova Scotia 5.679% 08-02-2033	207,000	207	213

Core Bond Fund (PIM) SF531

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or <u>Par Value</u>	Average <u>Cost</u>	Fair <u>Value</u>
Canadian Bonds (continued)			
Corporate - Non-convertible (continued)			
The Bank of Nova Scotia 7.023% 07-27-2082	859,000	854	849
The Empire Life Insurance Co. 3.625% 04-17-2026	135,000	135	106
The Empire Life Insurance Co. 5.503% 01-13-2033	161,000	161	162
The Independent Order of Foresters 2.885% 10-15-2035	251,000	252	214
The Toronto-Dominion Bank 2.26% 01-07-2027	789,000	743	742
The Toronto-Dominion Bank 2.667% 09-09-2025	1,532,000	1,462	1,482
The Toronto-Dominion Bank 3.06% 01-26-2032	2,103,000	2,118	1,996
The Toronto-Dominion Bank 3.105% 04-22-2030	921,000	928	896
The Toronto-Dominion Bank 3.224% 07-25-2029	825,000	799	813
The Toronto-Dominion Bank 4.21% 06-01-2027	991,000	974	984
The Toronto-Dominion Bank 4.34% 01-27-2026	839,000	828	836
The Toronto-Dominion Bank 4.477% 01-18-2028	764,000	760	765
The Toronto-Dominion Bank 4.68% 01-08-2029	354,000	354	358
The Toronto-Dominion Bank 5.376% 10-21-2027	305,000	305	315
The Toronto-Dominion Bank 5.423% 07-10-2026	320,000	320	327
The Toronto-Dominion Bank 5.491% 09-08-2028	500,000	500	523
TMX Group Ltd. 2.016% 02-12-2031	161,000	160	137
Toronto Hydro Corp. 4.61% 06-14-2033	364,000	364	375
Toronto Hydro Corp. 4.95% 10-13-2052	33,000	34	36
Tourmaline Oil Corp. 2.529% 02-12-2029	156,000	156	142
Toyota Credit Canada Inc. 4.45% 01-26-2026	475,000	471	474
TransCanada PipeLines Ltd. 3.80% 04-05-2027	2,022,000	2,124	1,983
TransCanada PipeLines Ltd. 4.34% 10-15-2049	414,000	351	358
TransCanada PipeLines Ltd. 5.277% 07-15-2030	507,000	507	524
TransCanada PipeLines Ltd. Floating Rate 05-18-2077	2,393,000	2,439	2,188
Transcontinental Inc. 2.667% 02-03-2025	105,000	99	101
Vancouver Airport Authority 1.76% 09-20-2030	10,000	8	9
Ventas Canada Finance Ltd. 5.398% 04-21-2028	341,000	341	347
Waste Management of Canada Corp. 2.60% 09-23-2026	597,000	627	572
WSP Global Inc. 2.408% 04-19-2028	580,000	584	535
Total Corporate - Non-convertible		161,849	156,834

Core Bond Fund (PIM) SF531

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or <u>Par Value</u>	Average <u>Cost</u>	Fair <u>Value</u>
Canadian Bonds (continued)			
Mortgage Backed			
First National Financial Corp. 3.84% 11-01-2028	2,971,000	2,871	2,949
Total Mortgage Backed		2,871	2,949
Total Canadian Bonds		311,724	305,927
United States Bonds			
Federal Government			
United States Treasury 3.50% 02-15-2033	5,340,000	6,869	6,866
United States Treasury Inflation Index 0.125% 02-15-2051 Real Return	2,295,000	2,374	2,237
United States Treasury Inflation Index 0.125% 02-15-2052 Real Return	2,556,000	3,236	2,309
United States Treasury Inflation Index 0.50% 04-15-2024 Real Return	5,759,000	9,144	9,196
United States Treasury Inflation Index 1.50% 02-15-2053 Real Return	2,628,000	3,412	3,282
Total Federal Government		25,035	23,890
Corporate - Non-convertible			
Air Lease Corp. 5.40% 06-01-2028	281,000	278	288
Amazon.com Inc. 3.95% 04-13-2052	180,000	222	209
Amazon.com Inc. 4.70% 12-01-2032	466,000	633	635
Athene Global Funding 2.47% 06-09-2028	128,000	115	115
Bank of America Corp. 1.978% 09-15-2027	887,000	856	827
Bank of America Corp. 2.598% 04-04-2029	2,012,000	2,050	1,851
Bank of America Corp. 3.615% 03-16-2028	1,891,000	1,797	1,834
Bimbo Bakeries USA Inc. 6.05% 01-15-2029	280,000	387	391
Broadcom Inc. 4.11% 09-15-2028	353,000	450	457
Charter Communications Operating LLC 5.05% 03-30-2029	550,000	691	722
Glencore Funding LLC 5.40% 05-08-2028 144A	60,000	82	81
JPMorgan Chase & Co. 1.896% 03-05-2028	705,000	701	652
Micron Technology Inc. 5.375% 04-15-2028	352,000	473	476
Nestle Holdings Inc. 2.192% 01-26-2029	328,000	328	303
NextEra Energy Capital Holdings Inc. 1.90% 06-15-2028	193,000	232	227
Pfizer Investment Enterprises Pte. Ltd. 4.65% 05-19-2030	1,030,000	1,386	1,375
Pfizer Investment Enterprises Pte. Ltd. 4.75% 05-19-2033	320,000	431	425
The Goldman Sachs Group Inc. 2.013% 02-28-2028	214,000	209	193
The Goldman Sachs Group Inc. 2.599% 11-30-2027	618,000	618	582
The Walt Disney Co. 3.057% 03-30-2027	3,508,000	3,724	3,390

Core Bond Fund (PIM) SF531

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or <u>Par Value</u>	Average <u>Cost</u>	Fair <u>Value</u>
United States Bonds (continued)			
Corporate - Non-convertible (continued)			
T-Mobile USA Inc. 3.75% 04-15-2027	547,000	682	704
T-Mobile USA Inc. 4.95% 03-15-2028	98,000	131	132
T-Mobile USA Inc. 5.20% 01-15-2033	393,000	513	534
Verizon Communications Inc. 2.375% 03-22-2028	1,152,000	1,100	1,066
Wells Fargo & Co. 2.975% 05-19-2026	1,201,000	1,142	1,156
Zoetis Inc. 2.00% 05-15-2030	384,000	422	439
Total Corporate - Non-convertible		19,653	19,064
Total United States Bonds		44,688	42,954
Global Bonds			
Australia			
Transurban Finance Co. Pty Ltd. 4.555% 11-14-2028	143,000	157	142
Austria			
Suzano Austria GmbH 2.50% 09-15-2028	220,000	276	256
Chile			
Colbun SA 3.15% 01-19-2032	275,000	340	315
Ireland			
AerCap Ireland Capital DAC/AerCap Global Aviation Trust 3.00% 10-29-2028	273,000	317	330
Japan			
Renesas Electronics Corp. 1.543% 11-26-2024	250,000	315	319
Jersey			
Heathrow Funding Ltd. 2.694% 10-13-2027	224,000	224	210
Heathrow Funding Ltd. 3.40% 03-08-2028	648,000	597	619
Heathrow Funding Ltd. 3.726% 04-13-2033	353,000	361	319
Heathrow Funding Ltd. 3.782% 09-04-2030	94,000	87	89
Luxembourg			
Aroundtown SA 4.625% 09-18-2025	58,000	63	56

Core Bond Fund (PIM) SF531

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or Par Value	Average Cost	Fair Value
Global Bonds (continued)			
Mexico			
Becle SAB de CV 2.50% 10-14-2031	335,000	420	357
Netherlands			
NXP BV/NXP Funding LLC/NXP USA Inc. 2.65% 02-15-2032	110,000	141	123
United Kingdom			
Anglian Water Services Financing PLC 4.525% 08-26-2032	213,000	213	208
Supra - National			
International Bank for Reconstruction and Development 1.95% 09-20-2029	43,000	43	40
Total Global Bonds		3,554	3,383
Total Bonds		359,966	352,264
Canadian Common Stock			
Exchange Traded Funds			
Mackenzie Canadian Aggregate Bond Index ETF *	91,000	8,303	8,478
Mackenzie Canadian All Corporate Bond Index ETF *	37,000	3,414	3,455
Total Canadian Common Stock		11,717	11,933
Canadian Preferred Stock			
Communication Services			
BCE Inc. 2.75% Preferred	77	1	1
Financials			
Brookfield Corp. 4.80% Preferred Conv.	275	7	5
Total Canadian Preferred Stock		8	6

*The issuer of this security is a related company to the issuer of the Fund.

Core Bond Fund (PIM) SF531

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or <u>Par Value</u>	<u>Average Cost</u>	<u>Fair Value</u>
Global Preferred Stock			
Bermuda			
Brookfield Renewable Partners LP 5.00% Preferred	180	4	3
Total Global Preferred Stock		4	3
Total Stocks		11,729	11,942

Core Bond Fund (PIM) SF531

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, contracts, shares, par value or contract price)

As at December 31, 2023

Schedule of Derivative Contracts

Forward Currency Contracts

Contract Price	Settlement Date	Purchased Currency		Sold Currency		Unrealized Gain (Loss)
		Currency	Value as at December 31	Currency	Value as at December 31	
1.3596	January 11, 2024	Canadian Dollar	1,964	United States Dollar	1,926	38
1.3572	January 11, 2024	Canadian Dollar	2,049	United States Dollar	2,012	37
1.3463	January 18, 2024	Canadian Dollar	2,319	United States Dollar	2,291	28
1.3461	January 18, 2024	Canadian Dollar	2,318	United States Dollar	2,291	27
1.3488	January 24, 2024	Canadian Dollar	1,340	United States Dollar	1,322	18
1.3692	January 25, 2024	Canadian Dollar	11,660	United States Dollar	11,373	287
1.3687	January 25, 2024	Canadian Dollar	4,224	United States Dollar	4,121	103
1.3688	February 4, 2024	Canadian Dollar	1,976	United States Dollar	1,928	48
1.3364	February 4, 2024	Canadian Dollar	4,956	United States Dollar	4,923	33
1.3643	February 8, 2024	Canadian Dollar	6,880	United States Dollar	6,729	151
1.3487	February 8, 2024	Canadian Dollar	3,006	United States Dollar	2,965	41
1.3408	February 8, 2024	Canadian Dollar	3,765	United States Dollar	3,730	35
1.3395	February 8, 2024	Canadian Dollar	2,814	United States Dollar	2,790	24
1.3398	February 8, 2024	Canadian Dollar	958	United States Dollar	950	8
1.3833	February 15, 2024	Canadian Dollar	6,769	United States Dollar	6,551	218
1.3824	February 15, 2024	Canadian Dollar	4,320	United States Dollar	4,183	137
Derivatives - Assets						1,233
0.7312	January 11, 2024	United States Dollar	3,725	Canadian Dollar	3,845	(120)
0.7299	January 18, 2024	United States Dollar	742	Canadian Dollar	767	(25)
0.7226	January 24, 2024	United States Dollar	545	Canadian Dollar	569	(24)
0.7340	January 24, 2024	United States Dollar	1,302	Canadian Dollar	1,339	(37)
0.7344	February 8, 2024	United States Dollar	2,171	Canadian Dollar	2,232	(61)
Derivatives - Liabilities						(267)
Total Forward Currency Contracts						966

Futures Contracts

No. of Contracts	Average Contract Price	Futures Contracts	Maturity Date	Notional Amount	Price as at December 31	Unrealized Gain (Loss)
(21)	CAD 145.33	JPN 10YR BOND (OSE) 03-31-2024	March 31, 2024	JPY 3,080,910	CAD 146.71	68
195	CAD 110.32	CAN 5YR BOND 03-31-2024	March 31, 2024	CAD 21,975	CAD 112.69	31
37	CAD 109.33	US 10YR NOTE 03-31-2024	March 31, 2024	USD 4,177	CAD 112.89	-
Derivatives - Assets						99
18	CAD 122.78	US ULTRA BOND 03-31-2024	March 31, 2024	USD 2,405	CAD 133.59	(13)
Derivatives - Liabilities						(13)
Total Futures Contracts						86

Total Derivative Instruments at Fair Value

1,052

Total Investments

371,695

365,258

Core Bond Fund (PIM) SF531

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

Introduction

The objective of the Core Bond Fund (PIM) SF531 (the Fund) in managing risk is the creation and protection of contractholder value. Risk is inherent in the Fund's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. The process of risk management is critical to the Fund's continuing profitability. The Fund can be exposed to liquidity risk, market risk (which includes currency risk, interest rate risk and other price risk) and credit risk arising from the financial instruments it holds.

A. Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023, and groups the securities by asset type, geographic region and/or market segment. The following sections describe the significant risks that are relevant to the Fund.

To assist with managing risk, The Canada Life Assurance Company (Canada Life or the Company) maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and other regulations.

B. Liquidity Risk

Liquidity risk arises when a fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units by contractholders. The Fund retains sufficient cash and cash equivalent positions to maintain adequate liquidity to meet the obligation to fund daily cash redemptions of their redeemable units.

Some securities are illiquid due to legal restrictions on their resale, the nature of the investment, or simply a lack of interested buyers for a particular security or security type. Certain securities may become less liquid due to changes in market conditions, such as interest rate changes or market volatility, which could impair the ability of a fund to sell such securities quickly.

In accordance with the Fund's policy, the Company monitors the Fund's liquidity positions on a regular basis.

C. Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The classifications used on the Schedule of Investment Portfolio for the financial instruments are based on the country of issue.

The table below indicates the foreign currencies to which the Fund had significant exposure as at December 31, 2023 in Canadian dollar terms, including the underlying principal amount of forward currency contracts, if any. The table also illustrates the potential impact to the Fund's net assets attributable to contractholders, all other variables held constant, as a result of a 1% change in these currencies relative to the Canadian dollar. In practice, the actual results may differ from this sensitivity analysis and the difference could be significant.

2023

Currency	Investments	Cash, Short-term Deposits and Overdrafts	Total*	Impact on Net Assets Attributable to Contractholders
United States Dollar	\$ (3,930)	\$ 3,510	\$ (420)	\$ (4)
Other Currencies	—	(24)	(24)	—
Total	\$ (3,930)	\$ 3,486	\$ (444)	\$ (4)
As Percent of Net Assets Attributable to Contractholders			(0.1%)	—%

*Includes both monetary and non-monetary instruments

Core Bond Fund (PIM) SF531

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

C. Currency Risk (continued)

2022

Currency	Investments	Cash, Short-term Deposits and Overdrafts	Total*	Impact on Net Assets Attributable to Contractholders
United States Dollar	\$ 8,970	\$ 6,630	\$ 15,600	\$ 156
Other Currencies	—	(44)	(44)	—
Total	\$ 8,970	\$ 6,586	\$ 15,556	\$ 156
As Percent of Net Assets Attributable to Contractholders			4.7%	—%

*Includes both monetary and non-monetary instruments

D. Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund is exposed to the risk that the value of interest-bearing financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. Due to the nature of short-term fixed income securities with a remaining term-to-maturity of less than one year, these investments are not generally exposed to a significant risk that their value will fluctuate in response to changes in the prevailing levels of market interest rates. The risk is professionally managed at the security and fund level by the Company.

The table below summarizes the Fund's exposure to interest rate risk by remaining term-to-maturity.

2023

	1 year or less	Over 1 year to 5 years	Over 5 years to 10 years	Over 10 years	Total
Bonds	\$ 22,562	\$ 92,429	\$ 153,742	\$ 83,531	\$ 352,264

2022

	1 year or less	Over 1 year to 5 years	Over 5 years to 10 years	Over 10 years	Total
Bonds	\$ 1,029	\$ 110,244	\$ 115,018	\$ 78,658	\$ 304,949

As at December 31, 2023, had prevailing interest rates increased or decreased by 1% assuming a parallel shift in the yield curve, with all other variables held constant, net assets attributable to contractholders would have decreased or increased, respectively, by approximately \$24,665 (\$21,681 at December 31, 2022) or approximately 6.3% (6.6% at December 31, 2022). The Fund's sensitivity to interest rate changes was estimated using the weighted average duration of the bond portfolio. In practice, the actual results may differ and the difference could be significant.

E. Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund's greatest concentration of credit risk is in debt securities, such as bonds. The fair value of debt instruments includes consideration of the creditworthiness of the debt issuer. The carrying amount of debt instruments represents the maximum credit risk exposure as at December 31, 2023. The amount of credit risk to any one issuer may be determined from the information reported in the Schedule of Investment Portfolio. The Fund may invest in short-term fixed income securities issued or guaranteed primarily by the Government of Canada or any Canadian provincial government, obligations of Canadian chartered banks or trust companies, and commercial paper with approved credit ratings. The risk of default on these short-term fixed income securities is considered low. The Company monitors credit risk and credit ratings on a regular basis. All new counterparties to financial instruments are subject to an approval process.

There was no change in fair values of financial liabilities as a result of changes in credit risks during 2023 or 2022.

Core Bond Fund (PIM) SF531

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

E. Credit Risk (continued)

All transactions in listed securities are settled and paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker.

Credit ratings disclosed below are obtained from independent rating agencies including DBRS, Standard & Poor's, Moody's Investors Service and Fitch Ratings. The lowest rating provided by the agencies is used.

Debt securities by credit rating are as follows:

	2023		2022	
	Percent of Total Bonds (%)	Percent of Total Net Assets Attributable to Contractholders (%)	Percent of Total Bonds (%)	Percent of Total Net Assets Attributable to Contractholders (%)
AAA	1.6	1.5	7.2	6.6
AA	34.3	31.0	29.1	26.9
A	41.3	37.4	36.6	33.9
BBB	21.8	19.8	27.1	25.1
BB and lower	0.9	0.8	—	—
NR *	0.1	0.1	—	—
Total	100.0	90.6	100.0	92.5

*Bonds disclosed as NR are mortgage backed securities or privately placed bonds or bonds that have not been rated by a rating agency.

F. Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. The Fund Manager moderates this risk through careful selection of securities and other financial instruments within the parameters of the investment strategy. The maximum risk resulting from financial instruments is equivalent to their fair value.

For the Fund, the most significant exposure to other price risk arises from its investment in equity securities. As at December 31, 2023, had the prices on the respective stock exchanges for these securities increased or decreased by 1%, with all other variables held constant, assets would have increased (or decreased) by approximately \$119 (\$92 at December 31, 2022) or approximately 0.0% (0.0% at December 31, 2022) of total net assets attributable to contractholders. In practice, the actual results may differ and the difference could be significant.

Core Bond Fund (PIM) SF531

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

G. Fair Value Classification

The following table presents information about the Fund's assets and liabilities measured at fair value on a recurring basis and indicates the fair value hierarchy of the valuation techniques utilized by the Fund to determine such fair value:

	2023			
	Assets and Liabilities Measured at Fair Value			
<u>Assets measured at fair value</u>	Level 1	Level 2	Level 3	Total
Bonds	\$ —	\$ 352,264	\$ —	\$ 352,264
Stocks	11,942	—	—	11,942
Derivatives	99	1,233	—	1,332
Total assets measured at fair value	\$ 12,041	\$ 353,497	\$ —	\$ 365,538
Liabilities measured at fair value				
Derivatives ⁽¹⁾	\$ 13	\$ 267	\$ —	\$ 280
Net assets attributable to contractholders measured at fair value	\$ 12,028	\$ 353,230	\$ —	\$ 365,258

⁽¹⁾ Excludes collateral pledged to counterparties of \$1,103.

	2022			
	Assets and Liabilities Measured at Fair Value			
<u>Assets measured at fair value</u>	Level 1	Level 2	Level 3	Total
Bonds	\$ —	\$ 304,949	\$ —	\$ 304,949
Stocks	9,224	—	—	9,224
Derivatives	150	—	—	150
Total assets measured at fair value	\$ 9,374	\$ 304,949	\$ —	\$ 314,323
Liabilities measured at fair value				
Derivatives ⁽¹⁾	\$ —	\$ —	\$ —	\$ —
Net assets attributable to contractholders measured at fair value	\$ 9,374	\$ 304,949	\$ —	\$ 314,323

⁽¹⁾ Excludes collateral pledged to counterparties of \$1,441.

There were no significant transfers between Level 1 and Level 2 during 2023 or 2022.

Core Bond Fund (PIM) SF531

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance. Portfolio units are allocated to each category as described in note 3 and are not included on this page.

Net Assets Attributable to Contractholders by Category

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
75/75 guarantee policy	1,400,771	1,134,696	1,088,708	1,259,153	250,027	13,792	10,695	11,602	14,042	2,618
75/100 guarantee policy	2,795,162	2,278,592	2,616,968	2,983,956	975,622	27,400	21,393	27,796	33,184	10,194
100/100 guarantee policy	152,534	236,257	163,661	294,525	17,602	1,487	2,208	1,731	3,263	183
PS1 75/75 guarantee policy	1,402,572	899,200	868,290	1,035,759	357,131	14,550	8,878	9,638	11,962	3,851
PS1 75/100 guarantee policy	2,674,714	1,823,373	1,890,098	2,011,731	1,139,566	27,620	17,931	20,907	23,165	12,260
PS1 100/100 guarantee policy	125,903	126,799	125,204	87,791	7,998	1,289	1,237	1,375	1,005	86
PS2 75/75 guarantee policy	911,489	188,256	232,724	285,385	52,156	10,582	2,051	2,812	3,538	596
PS2 75/100 guarantee policy	535,990	432,171	502,698	490,623	258,968	6,222	4,709	6,073	6,082	2,957
PS 75/75 guarantee policy	92,722	73,946	74,040	97,650	39,177	942	715	805	1,104	414
PS 75/100 guarantee policy	260,980	220,839	213,775	192,331	39,418	2,641	2,129	2,318	2,172	416
PS 100/100 guarantee policy	—	1,521	24,023	29,762	3,822	—	15	260	336	40
PPS 75/75 guarantee policy	237,131	213,633	197,559	175,431	26,595	2,483	2,117	2,189	2,011	283
PPS 75/100 guarantee policy	165,189	92,509	139,718	106,894	53,589	1,725	915	1,545	1,224	570
PPS 100/100 guarantee policy	12,643	13,163	7,563	232,548	—	131	130	83	2,656	—
75/75 Constellation	944,047	1,022,329	922,507	239,955	—	8,983	9,270	9,416	2,552	—
75/100 Constellation	654,336	682,827	646,384	272,175	—	6,199	6,172	6,584	2,891	—
100/100 Constellation	36,610	43,012	37,417	7,362	—	346	388	381	78	—

Net Assets Attributable to Contractholders Per Unit (note 6)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
75/75 guarantee policy	9.85	9.43	10.66	11.15	10.47	0.42	(1.23)
75/100 guarantee policy	9.80	9.39	10.62	11.12	10.45	0.41	(1.23)
100/100 guarantee policy	9.75	9.34	10.58	11.08	10.42	0.41	(1.24)
PS1 75/75 guarantee policy	10.37	9.87	11.10	11.55	10.78	0.50	(1.23)
PS1 75/100 guarantee policy	10.33	9.83	11.06	11.52	10.76	0.50	(1.23)
PS1 100/100 guarantee policy	10.23	9.76	10.99	11.45	10.71	0.47	(1.23)
PS2 75/75 guarantee policy	11.61	10.90	12.08	12.40	11.42	0.71	(1.18)
PS2 75/100 guarantee policy	11.61	10.90	12.08	12.40	11.42	0.71	(1.18)
PS 75/75 guarantee policy	10.15	9.66	10.87	11.31	10.56	0.49	(1.21)
PS 75/100 guarantee policy	10.12	9.64	10.85	11.29	10.55	0.48	(1.21)
PS 100/100 guarantee policy	—	9.62	10.82	11.28	10.54	—	(1.20)
PPS 75/75 guarantee policy	10.47	9.91	11.08	11.46	10.65	0.56	(1.17)
PPS 75/100 guarantee policy	10.44	9.89	11.06	11.45	10.64	0.55	(1.17)
PPS 100/100 guarantee policy	10.38	9.84	11.02	11.42	—	0.54	(1.18)
75/75 Constellation	9.52	9.07	10.21	10.63	—	0.45	(1.14)
75/100 Constellation	9.47	9.04	10.19	10.62	—	0.43	(1.15)
100/100 Constellation	9.45	9.02	10.17	10.61	—	0.43	(1.15)

Core Bond Fund (PIM) SF531

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Fund is offered by The Canada Life Assurance Company.

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

Core Bond Fund (PIM) SF531

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

Core Bond Fund (PIM) SF531

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in fair value measurements in the notes to the Schedule of Investment Portfolio.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

Core Bond Fund (PIM) SF531

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Bonds and Stocks

Bonds and stocks are recorded at fair value determined with reference to closing quoted market prices, where the last traded price falls within the day's bid-ask spread, primarily provided by third party independent pricing sources. Fair values are determined on the basis of the closing price for a security on the recognized exchange on which it is principally traded at each reporting date. In circumstances where the last traded price is not within the bid-ask spread, the Company determines the point when the bid-ask spread that is most representative of fair value based on the specific facts and circumstances.

The fair value of unlisted securities is established using quotations determined by a major dealer in a particular security. Should the quoted value for a security, in the opinion of the Fund Manager, be inaccurate, unreliable, or not readily available, the value of the security is estimated using valuation techniques. Valuation techniques include the market approach (using recent arm's-length market transactions adjusted as necessary and reference to the current market value of another instrument that is substantially the same) and the income approach (discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible).

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Derivatives

Derivatives are classified and measured at fair value. Derivatives are valued using market transactions and other market evidence whenever possible, including market based inputs to models, broker or dealer quotations or alternative pricing sources with reasonable levels of transparency. When models are used, the selection of a particular model to value a derivative depends on the contractual terms of, and specific risks inherent in, the instrument, as well as the availability of pricing information in the market. The Company generally uses similar models to value similar instruments. Valuation models require a variety of inputs, including contractual terms, market prices and rates, yield curves, credit curves, measures volatility, prepayment rates and correlations of such inputs.

f) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

Core Bond Fund (PIM) SF531

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

g) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

Interest income on debt securities - included in the change in fair value of such investments and recorded on the accrual basis.

Dividend income - accrued as of the ex-dividend date and recorded on the accrual basis.

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

Miscellaneous income (loss)

Miscellaneous income (loss) generally includes the changes in foreign exchange rates between trade and settlement dates, foreign exchange rates on bank balances, securities lending income, derivative income, and management fee rebates.

h) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Core Bond Fund (PIM) SF531

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

i) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

j) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

k) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

l) Income Allocation

Net gain (loss) on investments, which includes dividend income, interest income, realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the net asset value (NAV) per unit.

m) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

n) Transaction Costs

Transaction costs, such as brokerage commissions, incurred in the purchase and sale of securities by the Fund are charged to expenses in the year.

Core Bond Fund (PIM) SF531

Notes to the Financial Statements

(in Canadian \$ thousands)

3. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Emperor,
- Flex,
- Generations/Mosaic,
- Generations I,
- Generations II,
- Generations Core,
- Prestige/Prestige Plus, and
- Private Collections.

In addition to the Individual units, units are available for:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S1C 75/75 Constellation IC Wealth,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S2C 75/75 Constellation IC Wealth,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy,
- Option S3HF PPS 100/100 guarantee policy, and
- Option S3C 75/75 Constellation IC Wealth.

Portfolio units are those units owned by the Asset Allocation Funds. Each Portfolio fund is represented by a separate category.

The categories of units, and the various levels within each, are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

Core Bond Fund (PIM) SF531

Notes to the Financial Statements

(in Canadian \$ thousands)

4. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

5. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

6. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

7. DERIVATIVE FINANCIAL INSTRUMENTS

Derivative contracts, including forward currency, futures and equity swap contracts, are valued at the gain or loss that would arise as a result of closing the position at the reporting date. Options are recorded at fair value as at the reporting date. The Fund may use derivative contracts to hedge against losses caused by changes in securities prices, interest rates, exchange rates and/or other risks. The Fund may also use derivative contracts for non-hedging purposes in order to invest indirectly in financial markets or to gain exposure to other currencies, provided the use of such derivatives is consistent with the Fund's investment objectives and strategies. Foreign currency risk and exposure may be direct or indirect and can include all or a portion of the currency exposure of an existing investment or group of investments. Any such gain or loss on derivative contracts is recorded as part of net gain (loss) on investments.

As at the reporting date, the unrealized gain (loss) on derivative contracts is reflected on the Statement of Financial Position of the Fund.

The Fund manages derivative credit risk through collateral arrangements where required. The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are implemented by the Fund regarding the acceptability of types of collateral and the valuation parameters. The Fund Manager monitors the value of the collateral and requests additional collateral when needed.

Core Bond Fund (PIM) SF531

Notes to the Financial Statements

(in Canadian \$ thousands)

8. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.
- c) The Fund invests in assets or underlying funds managed by Mackenzie Financial Corporation, which operates as Mackenzie Investments. All investment transactions with the corresponding underlying funds are at quoted market prices.

Core Bond Fund (PIM) SF531

Supplemental Information (unaudited)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾

For the years ended December 31	2023	2022	2021	2020	2019
75/75 guarantee policy	1.97	1.96	1.97	1.92	1.90
75/100 guarantee policy	2.02	2.02	2.02	1.98	1.96
100/100 guarantee policy	2.08	2.06	2.08	2.03	2.02
PS1 75/75 guarantee policy	1.39	1.39	1.39	1.36	1.34
PS1 75/100 guarantee policy	1.45	1.45	1.45	1.42	1.39
PS1 100/100 guarantee policy	1.56	1.56	1.55	1.52	1.50
PS 75/75 guarantee policy	1.41	1.41	1.41	1.38	1.37
PS 75/100 guarantee policy	1.47	1.46	1.46	1.43	1.41
PS 100/100 guarantee policy	—	1.52	1.52	1.49	1.48
PPS 75/75 guarantee policy	0.84	0.83	0.83	0.81	0.80
PPS 75/100 guarantee policy	0.89	0.89	0.89	0.87	0.87
PPS 100/100 guarantee policy	1.00	1.00	1.01	0.98	—
75/75 Constellation	1.52	1.52	1.51	1.48	—
75/100 Constellation	1.63	1.63	1.62	1.59	—
100/100 Constellation	1.69	1.68	1.67	1.66	—

Portfolio Turnover Rate (%) ⁽²⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	79.10	113.67	94.22	7.94	14.80

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
EMERGING MARKETS FUND (MACKENZIE) SF532

December 31, 2023

Independent Auditor's Report

To the Contractholders of Emerging Markets Fund (Mackenzie) SF532 (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

Emerging Markets Fund (Mackenzie) SF532

(in Canadian \$ thousands)

Fund Manager: Mackenzie Investments

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ —	\$ —
Investment income due and accrued	—	—
Due from The Canada Life Assurance Company (note 8)	—	—
Due from brokers	3	1
Due from outside parties	—	—
Investments		
Investment fund units (note 3)	6,209	6,552
Total investments	6,209	6,552
Total assets	\$ 6,212	\$ 6,553
Liabilities		
Overdrafts	\$ 3	\$ —
Due to The Canada Life Assurance Company (note 8)	16	6
Due to brokers	—	—
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	19	6
Net assets attributable to contractholders	\$ 6,193	\$ 6,547

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 1,065	\$ (1,084)
Miscellaneous income (loss)	—	—
Total income (loss)	1,065	(1,084)
Expenses		
Management fees (note 8)	185	198
Other	18	19
Total expenses	203	217
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 862	\$ (1,301)

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year	\$ 6,547	\$ 8,633
Contractholder deposits	50	129
Contractholder withdrawals	(1,266)	(914)
Increase (decrease) in net assets from operations attributable to contractholders	862	(1,301)
Change in net assets attributable to contractholders	(354)	(2,086)
Net assets attributable to contractholders - end of year	\$ 6,193	\$ 6,547

Emerging Markets Fund (Mackenzie) SF532

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 862	\$ (1,301)
Adjustments		
Realized (gains) losses	(52)	(17)
Unrealized (gains) losses	(850)	1,400
Gross proceeds of disposition of investments	1,469	1,080
Gross payments for the purchase of investments	(61)	(79)
Distribution income of underlying mutual fund	(163)	(299)
Change in due from/to The Canada Life Assurance Company	10	3
Change in due from/to brokers	(2)	—
	<u>1,213</u>	<u>787</u>
Financing Activities		
Contractholder deposits	50	129
Contractholder withdrawals	(1,266)	(914)
	<u>(1,216)</u>	<u>(785)</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	(3)	2
Cash, short-term deposits and overdrafts, beginning of year	<u>—</u>	<u>(2)</u>
Cash, short-term deposits and overdrafts, end of year	<u><u>\$ (3)</u></u>	<u><u>\$ —</u></u>

Emerging Markets Fund (Mackenzie) SF532

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units)

As at December 31, 2023

	<u>No. of Units</u>	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units			
Mackenzie Emerging Markets Fund Series S *	595,464	5,808	6,209
Total Investments		5,808	6,209

Top 25 Holdings

Security Description	% of Total
Taiwan Semiconductor Manufacturing Co. Ltd.	6.26%
Tencent Holdings Ltd.	4.57%
Samsung Electronics Co. Ltd.	3.39%
Petroleo Brasileiro SA Preferred	2.39%
Cash and short-term deposits	2.19%
Kia Motors Corp.	2.05%
BYD Co. Ltd.	1.92%
Banco BTG Pactual SA Unit	1.85%
Novatek Microelectronics Corp.	1.84%
Innolux Corp.	1.74%
BYD Electronic International Co. Ltd.	1.69%
Geely Automobile Holdings Ltd.	1.69%
Rec Ltd.	1.64%
Indian Oil Corp. Ltd.	1.61%
Kanzhun Ltd.	1.61%
Kuaishou Technology Co. Ltd.	1.61%
Power Finance Corp.	1.61%
Nongfu Spring Co. Ltd.	1.59%
MediaTek Inc.	1.57%
Zhengzhou Yutong Bus Co. Ltd. Class A	1.54%
Grupo Financiero Banorte SAB de CV Series O	1.51%
SK Holdings Co. Ltd.	1.50%
Tata Motors Ltd.	1.46%
Emirates NBD PJSC	1.44%
China Tower Corp. Ltd.	1.40%

*The issuer of this security is a related company to the issuer of the Fund.

Emerging Markets Fund (Mackenzie) SF532

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Net Assets Attributable to Contractholders by Category

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
75/75 guarantee policy	96,357	111,575	123,830	149,072	242,215	1,324	1,347	1,777	2,075	2,917
75/100 guarantee policy	167,312	207,554	236,079	285,787	444,862	2,259	2,466	3,341	3,933	5,307
100/100 guarantee policy	34,506	44,436	51,655	55,038	70,025	454	516	716	745	824
PS1 75/75 guarantee policy	25,899	30,197	31,083	23,673	32,466	379	385	468	343	404
PS1 75/100 guarantee policy	89,357	97,718	105,426	107,959	115,296	1,261	1,207	1,543	1,528	1,407
PS1 100/100 guarantee policy	19,494	15,612	15,612	15,612	21,576	265	187	222	216	259
PS2 75/75 guarantee policy	3,860	12,881	12,807	13,877	28,265	69	197	225	229	390
PS2 75/100 guarantee policy	9,178	14,686	18,252	18,053	61,436	165	225	321	298	849
PS 75/75 guarantee policy	661	652	652	652	757	8	7	8	8	8
PS 75/100 guarantee policy	776	959	1,018	2,392	3,278	9	10	12	27	32

Net Assets Attributable to Contractholders Per Unit (note 7)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
75/75 guarantee policy	13.75	12.07	14.35	13.92	12.04	1.68	(2.28)
75/100 guarantee policy	13.50	11.88	14.15	13.76	11.93	1.62	(2.27)
100/100 guarantee policy	13.14	11.61	13.87	13.53	11.77	1.53	(2.26)
PS1 75/75 guarantee policy	14.62	12.75	15.04	14.48	12.43	1.87	(2.29)
PS1 75/100 guarantee policy	14.11	12.36	14.64	14.16	12.21	1.75	(2.28)
PS1 100/100 guarantee policy	13.61	11.97	14.25	13.84	11.98	1.64	(2.28)
PS2 75/75 guarantee policy	17.99	15.29	17.58	16.50	13.82	2.70	(2.29)
PS2 75/100 guarantee policy	17.99	15.29	17.58	16.50	13.82	2.70	(2.29)
PS 75/75 guarantee policy	11.76	10.21	12.00	11.52	9.86	1.55	(1.79)
PS 75/100 guarantee policy	11.62	10.11	11.91	11.46	9.82	1.51	(1.80)

Emerging Markets Fund (Mackenzie) SF532

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Emerging Markets Fund (Mackenzie) SF532 (the Fund) is offered by The Canada Life Assurance Company (Canada Life or the Company).

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

Emerging Markets Fund (Mackenzie) SF532

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

Emerging Markets Fund (Mackenzie) SF532

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in note 9 on Financial Instrument Risk Management.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

Emerging Markets Fund (Mackenzie) SF532

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Investment Fund Units

Investment fund units are recorded at fair value, which is the closing net asset value (NAV) per unit of the underlying fund.

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Emerging Markets Fund (Mackenzie) SF532

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

Emerging Markets Fund (Mackenzie) SF532

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

k) Income Allocation

Net gain (loss) on investments, which includes realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the NAV per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

3. INVESTMENT FUND UNITS

Investment fund units of the Fund invest solely in underlying mutual funds.

As the Fund's assets are invested in underlying investment funds, the Fund indirectly pays management fees and operating expenses of the underlying funds. All such charges are included in the management expense ratio of the segregated funds.

Distributions of income from the underlying investment funds are shown as net gain (loss) on investments on the Statement of Comprehensive Income.

Investment activity of the underlying fund indirectly exposes the Fund to financial risk. See note 9 on Financial Instrument Risk Management.

Investments in unconsolidated structured entities

The Company has determined that the Fund meets the definition of an investment entity and as such, accounts for its holdings in unlisted open-ended investment funds at FVTPL. The Company has concluded that the underlying funds in which the Fund invests, but do not consolidate, meet the definition of structured entities because: (i) the voting rights in the underlying funds are not dominant rights in deciding who controls them; (ii) each underlying fund's activities are restricted by its prospectus; and (iii) the underlying funds have narrow and well-defined objectives to provide investment opportunities to investors.

Emerging Markets Fund (Mackenzie) SF532

Notes to the Financial Statements

(in Canadian \$ thousands)

4. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Emperor,
- Flex,
- Generations/Mosaic,
- Generations I,
- Generations II,
- Generations Core,
- Prestige/Prestige Plus, and
- Private Collections.

In addition to the Individual units, units are available for:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

The categories of units, and the various levels within each, are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

Emerging Markets Fund (Mackenzie) SF532

Notes to the Financial Statements

(in Canadian \$ thousands)

5. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

6. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

7. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

Emerging Markets Fund (Mackenzie) SF532

Notes to the Financial Statements

(in Canadian \$ thousands)

8. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.
- c) The Fund invests in assets or underlying funds managed by Mackenzie Financial Corporation, which operates as Mackenzie Investments. All investment transactions with the corresponding underlying funds are at quoted market prices.

Emerging Markets Fund (Mackenzie) SF532

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT

a) Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023. The following sections describe the significant risks that are relevant to the Fund.

To assist with managing risk, the Fund Manager maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and securities regulations. Financial statements for the underlying funds, which include discussions about their respective risk exposure, are available upon request.

b) Liquidity Risk

Liquidity risk arises when a Fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units. As the Fund primarily invests all of its net assets in the underlying funds, liquidity risk is mitigated by the underlying funds' ability to meet the obligation to fund daily cash redemptions of their redeemable units/shares. In addition, the underlying funds retain sufficient cash and cash equivalent positions to maintain adequate liquidity.

c) Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The Fund's investments in all underlying funds are denominated in Canadian dollars. However, the Fund is indirectly exposed to currency risk to the extent that the investments of the underlying funds are denominated or traded in a foreign currency.

d) Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund does not directly hold any interest-bearing financial instruments. The Fund is indirectly exposed to the risk that the value of interest-bearing financial instruments held by the underlying funds will fluctuate due to changes in the prevailing levels of market interest rates.

e) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund has no direct exposure to credit risk. The greatest indirect concentration of credit risk is in debt securities, such as bonds, held by underlying funds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer.

f) Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. For the instruments held by the Fund, maximum risk of loss is equivalent to their fair value. The Fund Manager moderates this risk through a careful selection of underlying funds within the parameters of the investment strategy.

g) Fair Value Classification

Investment Fund Units are recorded at fair value, which is the closing NAV per unit of the underlying fund. This valuation is considered to be a Level 1 classification.

Emerging Markets Fund (Mackenzie) SF532

Supplemental Information (unaudited)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾

For the years ended December 31	2023	2022	2021	2020	2019
75/75 guarantee policy	3.29	3.29	3.31	3.32	3.31
75/100 guarantee policy	3.51	3.51	3.53	3.54	3.53
100/100 guarantee policy	3.83	3.83	3.85	3.87	3.86
PS1 75/75 guarantee policy	2.56	2.55	2.55	2.54	2.55
PS1 75/100 guarantee policy	3.00	2.99	2.99	2.97	2.98
PS1 100/100 guarantee policy	3.43	3.42	3.43	3.41	3.42
PS 75/75 guarantee policy	2.20	2.18	2.21	2.22	2.20
PS 75/100 guarantee policy	2.41	2.40	2.43	2.44	2.43

Unsubsidized Management Expense Ratio (%) ⁽²⁾

For the years ended December 31	2023	2022	2021	2020	2019
PS1 75/75 guarantee policy	2.56	2.55	2.57	2.60	2.58
PS1 75/100 guarantee policy	3.00	2.99	3.01	3.03	3.01
PS1 100/100 guarantee policy	3.43	3.42	3.45	3.47	3.45

Portfolio Turnover Rate (%) ⁽³⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	0.94	1.11	1.51	0.95	14.43

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The Company has waived a portion of the fees for the Preferred Series 1 and Preferred Partner Series guarantee policies. There is no obligation for the Company to continue waiving these fees and it may cease to do so at any time without notice.

(3) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
PATHWAYS CORE PLUS BOND FUND (MACKENZIE) SF540

December 31, 2023

Independent Auditor's Report

To the Contractholders of Pathways Core Plus Bond Fund (Mackenzie) SF540 (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

Pathways Core Plus Bond Fund (Mackenzie) SF540

(in Canadian \$ thousands)

Fund Manager: Canada Life Investment Management Ltd.

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ —	\$ 256
Investment income due and accrued	—	—
Due from The Canada Life Assurance Company (note 8)	10	—
Due from brokers	13	—
Due from outside parties	—	—
Investments		
Investment fund units (note 3)	42,785	39,075
Total investments	42,785	39,075
Total assets	\$ 42,808	\$ 39,331
Liabilities		
Overdrafts	\$ 28	\$ —
Due to The Canada Life Assurance Company (note 8)	—	24
Due to brokers	—	4
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	28	28
Net assets attributable to contractholders	\$ 42,780	\$ 39,303

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 2,697	\$ (4,451)
Miscellaneous income (loss)	—	—
Total income (loss)	2,697	(4,451)
Expenses		
Management fees (note 8)	523	545
Other	60	64
Total expenses	583	609
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 2,114	\$ (5,060)

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year	\$ 39,303	\$ 41,416
Contractholder deposits	9,034	8,554
Contractholder withdrawals	(7,671)	(5,607)
Increase (decrease) in net assets from operations attributable to contractholders	2,114	(5,060)
Change in net assets attributable to contractholders	3,477	(2,113)
Net assets attributable to contractholders - end of year	\$ 42,780	\$ 39,303

Pathways Core Plus Bond Fund (Mackenzie) SF540

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 2,114	\$ (5,060)
Adjustments		
Realized (gains) losses	891	702
Unrealized (gains) losses	(2,241)	4,916
Gross proceeds of disposition of investments	6,924	5,886
Gross payments for the purchase of investments	(7,937)	(8,107)
Distribution income of underlying mutual fund	(1,347)	(1,167)
Change in due from/to The Canada Life Assurance Company	(34)	181
Change in due from/to brokers	(17)	(116)
	<u>(1,647)</u>	<u>(2,765)</u>
Financing Activities		
Contractholder deposits	9,034	8,554
Contractholder withdrawals	(7,671)	(5,607)
	<u>1,363</u>	<u>2,947</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	(284)	182
Cash, short-term deposits and overdrafts, beginning of year	256	74
Cash, short-term deposits and overdrafts, end of year	\$ (28)	\$ 256

Pathways Core Plus Bond Fund (Mackenzie) SF540

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units)

As at December 31, 2023

	<u>No. of Units</u>	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units			
Canada Life Canadian Core Plus Fixed Income Fund Series S *	4,626,491	46,271	42,785
Total Investments		46,271	42,785

Top 25 Holdings

Security Description	% of Total
Cash and short-term deposits	7.28%
Government of Canada 2.75% 06-01-2033	5.98%
Province of Ontario 3.65% 06-02-2033	5.72%
Province of Quebec 3.60% 09-01-2033	4.66%
Province of Quebec 4.40% 12-01-2055	3.46%
United States Treasury Inflation Index 0.50% 04-15-2024 Real Return	2.46%
Province of Ontario 4.15% 12-02-2054	2.28%
Province of Alberta 3.10% 06-01-2050	2.21%
Mackenzie Canadian Aggregate Bond Index ETF *	0.98%
Government of Canada 1.75% 12-01-2053	0.91%
Royal Bank of Canada 2.609% 11-01-2024	0.90%
United States Treasury Inflation Index 1.50% 02-15-2053 Real Return	0.90%
Rogers Communications Inc. 5.00% 12-17-2081	0.88%
Government of Canada 0.50% 12-01-2050 Real Return	0.81%
Province of Alberta 2.95% 06-01-2052	0.78%
Bank of America Corp. 3.615% 03-16-2028	0.76%
Enbridge Inc. 5.375% 09-27-2077	0.75%
Province of British Columbia 2.95% 06-18-2050	0.74%
TransCanada PipeLines Ltd. Floating Rate 05-18-2077	0.74%
Province of Ontario 4.05% 02-02-2032	0.67%
Province of Saskatchewan 3.10% 06-02-2050	0.67%
United States Treasury Inflation Index 0.125% 02-15-2052 Real Return	0.67%
United States Treasury Inflation Index 0.125% 02-15-2051 Real Return	0.61%
Brookfield Renewable Energy Partners LP 3.63% 01-15-2027	0.60%
Wells Fargo & Co. 2.975% 05-19-2026	0.60%

*The issuer of this security is a related company to the issuer of the Fund.

Pathways Core Plus Bond Fund (Mackenzie) SF540

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Net Assets Attributable to Contractholders by Category

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
75/75 guarantee policy	238,042	276,612	359,570	249,478	31,512	2,271	2,519	3,736	2,692	314
75/100 guarantee policy	677,152	715,665	805,200	869,997	223,378	6,419	6,484	8,331	9,358	2,224
PS1 75/75 guarantee policy	368,454	249,546	203,292	149,214	64,690	3,573	2,297	2,125	1,615	646
PS1 75/100 guarantee policy	534,475	590,038	555,277	491,637	56,149	5,161	5,412	5,789	5,313	560
PS2 75/75 guarantee policy	120,680	46,681	72,017	23,651	—	1,258	455	786	263	—
PS2 75/100 guarantee policy	87,373	48,501	58,416	73,009	48,067	911	473	637	811	484
PS 75/75 guarantee policy	80,916	67,492	52,575	28,861	8,101	791	626	553	314	81
PS 75/100 guarantee policy	254,401	147,228	92,871	62,331	21,736	2,474	1,361	975	676	217
PPS 75/75 guarantee policy	274,399	270,345	155,482	44,040	4,628	2,729	2,539	1,649	481	46
PPS 75/100 guarantee policy	493,673	369,296	231,885	81,148	—	4,890	3,455	2,452	884	—
75/75 Constellation	519,341	538,108	500,022	223,333	—	5,024	4,948	5,223	2,412	—
75/100 Constellation	737,631	929,133	815,357	368,189	—	7,104	8,516	8,498	3,972	—
100/100 Constellation	18,208	23,780	63,545	35,726	—	175	218	662	385	—

Net Assets Attributable to Contractholders Per Unit (note 7)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
75/75 guarantee policy	9.54	9.11	10.39	10.79	9.98	0.43	(1.28)
75/100 guarantee policy	9.48	9.06	10.35	10.76	9.96	0.42	(1.29)
PS1 75/75 guarantee policy	9.70	9.21	10.45	10.82	9.98	0.49	(1.24)
PS1 75/100 guarantee policy	9.66	9.17	10.43	10.81	9.97	0.49	(1.26)
PS2 75/75 guarantee policy	10.42	9.76	10.91	11.11	—	0.66	(1.15)
PS2 75/100 guarantee policy	10.43	9.76	10.91	11.11	10.07	0.67	(1.15)
PS 75/75 guarantee policy	9.77	9.28	10.53	10.87	9.99	0.49	(1.25)
PS 75/100 guarantee policy	9.72	9.24	10.50	10.85	9.99	0.48	(1.26)
PPS 75/75 guarantee policy	9.95	9.39	10.60	10.92	10.01	0.56	(1.21)
PPS 75/100 guarantee policy	9.91	9.36	10.57	10.90	—	0.55	(1.21)
75/75 Constellation	9.67	9.20	10.45	10.80	—	0.47	(1.25)
75/100 Constellation	9.63	9.17	10.42	10.79	—	0.46	(1.25)
100/100 Constellation	9.61	9.15	10.41	10.78	—	0.46	(1.26)

Pathways Core Plus Bond Fund (Mackenzie) SF540

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Pathways Core Plus Bond Fund (Mackenzie) SF540 (the Fund) is offered by The Canada Life Assurance Company (Canada Life or the Company).

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

Pathways Core Plus Bond Fund (Mackenzie) SF540

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

Pathways Core Plus Bond Fund (Mackenzie) SF540

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in note 9 on Financial Instrument Risk Management.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

Pathways Core Plus Bond Fund (Mackenzie) SF540

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Investment Fund Units

Investment fund units are recorded at fair value, which is the closing net asset value (NAV) per unit of the underlying fund.

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Pathways Core Plus Bond Fund (Mackenzie) SF540

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

Pathways Core Plus Bond Fund (Mackenzie) SF540

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

k) Income Allocation

Net gain (loss) on investments, which includes realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the NAV per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

3. INVESTMENT FUND UNITS

Investment fund units of the Fund invest solely in underlying mutual funds.

As the Fund's assets are invested in underlying investment funds, the Fund indirectly pays management fees and operating expenses of the underlying funds. All such charges are included in the management expense ratio of the segregated funds.

Distributions of income from the underlying investment funds are shown as net gain (loss) on investments on the Statement of Comprehensive Income.

Investment activity of the underlying fund indirectly exposes the Fund to financial risk. See note 9 on Financial Instrument Risk Management.

Investments in unconsolidated structured entities

The Company has determined that the Fund meets the definition of an investment entity and as such, accounts for its holdings in unlisted open-ended investment funds at FVTPL. The Company has concluded that the underlying funds in which the Fund invests, but do not consolidate, meet the definition of structured entities because: (i) the voting rights in the underlying funds are not dominant rights in deciding who controls them; (ii) each underlying fund's activities are restricted by its prospectus; and (iii) the underlying funds have narrow and well-defined objectives to provide investment opportunities to investors.

Pathways Core Plus Bond Fund (Mackenzie) SF540

Notes to the Financial Statements

(in Canadian \$ thousands)

4. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Emperor,
- Flex,
- Generations/Mosaic,
- Generations I,
- Generations II,
- Generations Core,
- Prestige/Prestige Plus, and
- Private Collections.

In addition to the Individual units, units are available for:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S1C 75/75 Constellation IC Wealth,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S2C 75/75 Constellation IC Wealth,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy,
- Option S3HF PPS 100/100 guarantee policy, and
- Option S3C 75/75 Constellation IC Wealth.

The categories of units, and the various levels within each, are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

Pathways Core Plus Bond Fund (Mackenzie) SF540

Notes to the Financial Statements

(in Canadian \$ thousands)

5. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

6. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

7. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

The NAV per unit for group contractholders has not been shown because it will vary for each sub-class within the group contractholder class based on negotiated expense levels and other factors.

Pathways Core Plus Bond Fund (Mackenzie) SF540

Notes to the Financial Statements

(in Canadian \$ thousands)

8. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.
- c) The Fund invests in assets or underlying funds managed by Canada Life Investment Management Ltd. All investment transactions with the corresponding underlying funds are at quoted market prices.

Pathways Core Plus Bond Fund (Mackenzie) SF540

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT

a) Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023. The following sections describe the significant risks that are relevant to the Fund.

To assist with managing risk, the Fund Manager maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and securities regulations. Financial statements for the underlying funds, which include discussions about their respective risk exposure, are available upon request.

b) Liquidity Risk

Liquidity risk arises when a Fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units. As the Fund primarily invests all of its net assets in the underlying funds, liquidity risk is mitigated by the underlying funds' ability to meet the obligation to fund daily cash redemptions of their redeemable units/shares. In addition, the underlying funds retain sufficient cash and cash equivalent positions to maintain adequate liquidity.

c) Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The Fund's investments in all underlying funds are denominated in Canadian dollars. However, the Fund is indirectly exposed to currency risk to the extent that the investments of the underlying funds are denominated or traded in a foreign currency.

d) Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund does not directly hold any interest-bearing financial instruments. The Fund is indirectly exposed to the risk that the value of interest-bearing financial instruments held by the underlying funds will fluctuate due to changes in the prevailing levels of market interest rates.

e) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund has no direct exposure to credit risk. The greatest indirect concentration of credit risk is in debt securities, such as bonds, held by underlying funds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer.

f) Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. For the instruments held by the Fund, maximum risk of loss is equivalent to their fair value. The Fund Manager moderates this risk through a careful selection of underlying funds within the parameters of the investment strategy.

g) Fair Value Classification

Investment Fund Units are recorded at fair value, which is the closing NAV per unit of the underlying fund. This valuation is considered to be a Level 1 classification.

Pathways Core Plus Bond Fund (Mackenzie) SF540

Supplemental Information (unaudited)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾

For the years ended December 31	2023	2022	2021	2020	2019
75/75 guarantee policy	1.98	2.00	2.00	2.00	1.95
75/100 guarantee policy	2.09	2.11	2.11	2.12	2.06
PS1 75/75 guarantee policy	1.42	1.53	1.71	1.70	1.65
PS1 75/100 guarantee policy	1.47	1.62	1.82	1.82	1.77
PS 75/75 guarantee policy	1.43	1.43	1.44	1.44	1.40
PS 75/100 guarantee policy	1.54	1.54	1.55	1.56	1.51
PPS 75/75 guarantee policy	0.86	0.97	1.14	1.13	1.12
PPS 75/100 guarantee policy	0.92	1.04	1.26	1.26	—
75/75 Constellation	1.55	1.55	1.55	1.54	—
75/100 Constellation	1.66	1.66	1.66	1.65	—
100/100 Constellation	1.71	1.73	1.72	1.70	—

Portfolio Turnover Rate (%) ⁽²⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	17.48	15.14	13.60	16.12	2.51

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
PATHWAYS GLOBAL CORE PLUS BOND FUND (MACKENZIE) SF541

December 31, 2023

Independent Auditor's Report

To the Contractholders of Pathways Global Core Plus Bond Fund (Mackenzie) SF541 (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

Pathways Global Core Plus Bond Fund (Mackenzie) SF541

(in Canadian \$ thousands)

Fund Manager: Canada Life Investment Management Ltd.

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ 11	\$ 12
Investment income due and accrued	—	—
Due from The Canada Life Assurance Company (note 8)	—	—
Due from brokers	—	—
Due from outside parties	—	—
Investments		
Investment fund units (note 3)	12,105	10,203
Total investments	12,105	10,203
Total assets	\$ 12,116	\$ 10,215
Liabilities		
Overdrafts	\$ —	\$ —
Due to The Canada Life Assurance Company (note 8)	1	6
Due to brokers	11	11
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	12	17
Net assets attributable to contractholders	\$ 12,104	\$ 10,198

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 694	\$ (822)
Miscellaneous income (loss)	—	—
Total income (loss)	694	(822)
Expenses		
Management fees (note 8)	206	181
Other	26	23
Total expenses	232	204
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 462	\$ (1,026)

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year	\$ 10,198	\$ 10,017
Contractholder deposits	3,149	2,711
Contractholder withdrawals	(1,705)	(1,504)
Increase (decrease) in net assets from operations attributable to contractholders	462	(1,026)
Change in net assets attributable to contractholders	1,906	181
Net assets attributable to contractholders - end of year	\$ 12,104	\$ 10,198

Pathways Global Core Plus Bond Fund (Mackenzie) SF541

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 462	\$ (1,026)
Adjustments		
Realized (gains) losses	290	172
Unrealized (gains) losses	(520)	1,188
Gross proceeds of disposition of investments	2,612	1,978
Gross payments for the purchase of investments	(3,820)	(3,004)
Distribution income of underlying mutual fund	(464)	(538)
Change in due from/to The Canada Life Assurance Company	(5)	24
Change in due from/to brokers	—	13
	<u>(1,445)</u>	<u>(1,193)</u>
Financing Activities		
Contractholder deposits	3,149	2,711
Contractholder withdrawals	(1,705)	(1,504)
	<u>1,444</u>	<u>1,207</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	(1)	14
Cash, short-term deposits and overdrafts, beginning of year	12	(2)
Cash, short-term deposits and overdrafts, end of year	\$ 11	\$ 12

Pathways Global Core Plus Bond Fund (Mackenzie) SF541

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units)

As at December 31, 2023

	<u>No. of Units</u>	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units			
Canada Life Global Core Plus Bond Fund Series S *	1,364,416	12,980	12,105
Total Investments		12,980	12,105

Top 25 Holdings

Security Description	% of Total
Cash and short-term deposits	10.42%
United States Treasury Inflation Index 0.25% 07-15-2029	4.75%
United States Treasury Inflation Index 0.125% 01-15-2032 Real Return	4.16%
Government of Canada 3.50% 03-01-2028	3.87%
United States Treasury Inflation Index 0.13% 01-15-2031	3.86%
United States Treasury 3.50% 02-15-2033	3.73%
Government of New Zealand 3.50% 04-14-2033	2.89%
Nota do Tesouro Nacional 10.00% 01-01-2027	2.53%
United States Treasury 3.875% 08-15-2033	2.44%
United States Treasury Inflation Index 0.125% 02-15-2052 Real Return	2.03%
Federal Republic of Germany 0.00% 08-15-2052	1.79%
Republic of South Africa Government Bond 8.88% 02-28-2035	1.69%
Government of Mexico 2.66% 05-24-2031	1.55%
Mackenzie Canadian All Corporate Bond Index ETF *	1.48%
Government of New Zealand 4.25% 05-15-2034	1.41%
Federative Republic of Brazil 6.25% 03-18-2031	1.27%
United Mexican States 8.50% 05-31-2029	1.27%
United States Treasury 2.88% 05-15-2032	1.13%
Province of Alberta 2.05% 06-01-2030	1.01%
Bell Canada 5.15% 11-14-2028	0.99%
Commonwealth of Australia 1.75% 06-21-2051	0.98%
Heathrow Funding Ltd. 3.782% 09-04-2030	0.87%
America Movil SAB de CV 9.50% 01-27-2031	0.85%
TransCanada PipeLines Ltd. Floating Rate 05-18-2077	0.85%
Province of Ontario 3.65% 06-02-2033	0.83%

*The issuer of this security is a related company to the issuer of the Fund.

Pathways Global Core Plus Bond Fund (Mackenzie) SF541

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Net Assets Attributable to Contractholders by Category

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
75/75 guarantee policy	123,023	71,372	81,303	82,139	23,311	1,168	652	822	851	231
75/100 guarantee policy	213,829	210,743	187,347	141,752	40,582	2,009	1,908	1,881	1,461	401
PS1 75/75 guarantee policy	228,864	73,844	59,752	69,631	39,342	2,202	681	608	724	390
PS1 75/100 guarantee policy	222,920	199,779	117,330	81,210	27,386	2,134	1,835	1,190	843	271
PS2 75/75 guarantee policy	14,428	15,826	32,532	—	—	152	156	348	—	—
PS2 75/100 guarantee policy	17,840	20,822	18,332	1,892	627	188	206	196	20	6
PS 75/75 guarantee policy	4,309	6,702	7,309	6,753	1,991	42	62	75	70	20
PS 75/100 guarantee policy	14,076	11,587	13,954	9,762	5,165	136	107	142	102	51
PPS 75/75 guarantee policy	8,220	8,912	2,441	2,442	2,641	81	84	25	26	26
PPS 75/100 guarantee policy	29,376	39,715	46,694	33,361	10,341	288	372	480	349	103
75/75 Constellation	219,798	252,453	225,417	76,424	—	2,135	2,348	2,311	800	—
75/100 Constellation	151,602	179,746	177,478	105,119	—	1,463	1,663	1,813	1,098	—
100/100 Constellation	11,088	13,412	12,319	2,484	—	106	124	126	26	—

Net Assets Attributable to Contractholders Per Unit (note 7)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
75/75 guarantee policy	9.49	9.13	10.11	10.36	9.91	0.36	(0.98)
75/100 guarantee policy	9.40	9.05	10.04	10.31	9.88	0.35	(0.99)
PS1 75/75 guarantee policy	9.62	9.22	10.17	10.39	9.91	0.40	(0.95)
PS1 75/100 guarantee policy	9.57	9.18	10.14	10.37	9.90	0.39	(0.96)
PS2 75/75 guarantee policy	10.53	9.90	10.70	—	—	0.63	(0.80)
PS2 75/100 guarantee policy	10.53	9.89	10.69	10.71	10.01	0.64	(0.80)
PS 75/75 guarantee policy	9.71	9.29	10.23	10.43	9.92	0.42	(0.94)
PS 75/100 guarantee policy	9.64	9.24	10.18	10.40	9.91	0.40	(0.94)
PPS 75/75 guarantee policy	9.87	9.41	10.32	10.48	9.93	0.46	(0.91)
PPS 75/100 guarantee policy	9.82	9.37	10.29	10.47	9.93	0.45	(0.92)
75/75 Constellation	9.71	9.30	10.25	10.46	—	0.41	(0.95)
75/100 Constellation	9.65	9.26	10.22	10.45	—	0.39	(0.96)
100/100 Constellation	9.59	9.21	10.19	10.44	—	0.38	(0.98)

Pathways Global Core Plus Bond Fund (Mackenzie) SF541

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Pathways Global Core Plus Bond Fund (Mackenzie) SF541 (the Fund) is offered by The Canada Life Assurance Company (Canada Life or the Company).

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

Pathways Global Core Plus Bond Fund (Mackenzie) SF541

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

Pathways Global Core Plus Bond Fund (Mackenzie) SF541

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in note 9 on Financial Instrument Risk Management.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

Pathways Global Core Plus Bond Fund (Mackenzie) SF541

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Investment Fund Units

Investment fund units are recorded at fair value, which is the closing net asset value (NAV) per unit of the underlying fund.

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Pathways Global Core Plus Bond Fund (Mackenzie) SF541

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

Pathways Global Core Plus Bond Fund (Mackenzie) SF541

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

k) Income Allocation

Net gain (loss) on investments, which includes realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the NAV per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

3. INVESTMENT FUND UNITS

Investment fund units of the Fund invest solely in underlying mutual funds.

As the Fund's assets are invested in underlying investment funds, the Fund indirectly pays management fees and operating expenses of the underlying funds. All such charges are included in the management expense ratio of the segregated funds.

Distributions of income from the underlying investment funds are shown as net gain (loss) on investments on the Statement of Comprehensive Income.

Investment activity of the underlying fund indirectly exposes the Fund to financial risk. See note 9 on Financial Instrument Risk Management.

Investments in unconsolidated structured entities

The Company has determined that the Fund meets the definition of an investment entity and as such, accounts for its holdings in unlisted open-ended investment funds at FVTPL. The Company has concluded that the underlying funds in which the Fund invests, but do not consolidate, meet the definition of structured entities because: (i) the voting rights in the underlying funds are not dominant rights in deciding who controls them; (ii) each underlying fund's activities are restricted by its prospectus; and (iii) the underlying funds have narrow and well-defined objectives to provide investment opportunities to investors.

Pathways Global Core Plus Bond Fund (Mackenzie) SF541

Notes to the Financial Statements

(in Canadian \$ thousands)

4. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Emperor,
- Flex,
- Generations/Mosaic,
- Generations I,
- Generations II,
- Generations Core,
- Prestige/Prestige Plus, and
- Private Collections.

In addition to the Individual units, units are available for:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S1C 75/75 Constellation IC Wealth,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S2C 75/75 Constellation IC Wealth,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy,
- Option S3HF PPS 100/100 guarantee policy, and
- Option S3C 75/75 Constellation IC Wealth.

The categories of units, and the various levels within each, are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

Pathways Global Core Plus Bond Fund (Mackenzie) SF541

Notes to the Financial Statements

(in Canadian \$ thousands)

5. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

6. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

7. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

The NAV per unit for group contractholders has not been shown because it will vary for each sub-class within the group contractholder class based on negotiated expense levels and other factors.

Pathways Global Core Plus Bond Fund (Mackenzie) SF541

Notes to the Financial Statements

(in Canadian \$ thousands)

8. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.
- c) The Fund invests in assets or underlying funds managed by Canada Life Investment Management Ltd. All investment transactions with the corresponding underlying funds are at quoted market prices.

Pathways Global Core Plus Bond Fund (Mackenzie) SF541

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT

a) Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023. The following sections describe the significant risks that are relevant to the Fund.

To assist with managing risk, the Fund Manager maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and securities regulations. Financial statements for the underlying funds, which include discussions about their respective risk exposure, are available upon request.

b) Liquidity Risk

Liquidity risk arises when a Fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units. As the Fund primarily invests all of its net assets in the underlying funds, liquidity risk is mitigated by the underlying funds' ability to meet the obligation to fund daily cash redemptions of their redeemable units/shares. In addition, the underlying funds retain sufficient cash and cash equivalent positions to maintain adequate liquidity.

c) Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The Fund's investments in all underlying funds are denominated in Canadian dollars. However, the Fund is indirectly exposed to currency risk to the extent that the investments of the underlying funds are denominated or traded in a foreign currency.

d) Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund does not directly hold any interest-bearing financial instruments. The Fund is indirectly exposed to the risk that the value of interest-bearing financial instruments held by the underlying funds will fluctuate due to changes in the prevailing levels of market interest rates.

e) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund has no direct exposure to credit risk. The greatest indirect concentration of credit risk is in debt securities, such as bonds, held by underlying funds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer.

f) Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. For the instruments held by the Fund, maximum risk of loss is equivalent to their fair value. The Fund Manager moderates this risk through a careful selection of underlying funds within the parameters of the investment strategy.

g) Fair Value Classification

Investment Fund Units are recorded at fair value, which is the closing NAV per unit of the underlying fund. This valuation is considered to be a Level 1 classification.

Pathways Global Core Plus Bond Fund (Mackenzie) SF541

Supplemental Information (unaudited)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾

For the years ended December 31	2023	2022	2021	2020	2019
75/75 guarantee policy	2.34	2.35	2.35	2.35	2.26
75/100 guarantee policy	2.51	2.51	2.52	2.51	2.44
PS1 75/75 guarantee policy	2.00	1.99	2.01	1.99	1.93
PS1 75/100 guarantee policy	2.11	2.10	2.11	2.10	2.05
PS 75/75 guarantee policy	1.78	1.78	1.79	1.78	1.73
PS 75/100 guarantee policy	1.95	1.96	1.95	1.95	1.88
PPS 75/75 guarantee policy	1.43	1.42	1.44	1.43	1.39
PPS 75/100 guarantee policy	1.55	1.55	1.55	1.53	1.50
75/75 Constellation	1.90	1.90	1.90	1.88	—
75/100 Constellation	2.07	2.07	2.07	2.04	—
100/100 Constellation	2.24	2.24	2.25	2.21	—

Portfolio Turnover Rate (%) ⁽²⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	22.71	19.20	20.45	17.99	57.52

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
PATHWAYS GLOBAL MULTI SECTOR BOND FUND (BRANDYWINE)
SF542

December 31, 2023

Independent Auditor's Report

To the Contractholders of Pathways Global Multi Sector Bond Fund (Brandywine) SF542 (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

Pathways Global Multi Sector Bond Fund (Brandywine) SF542

(in Canadian \$ thousands)

Fund Manager: Canada Life Investment Management Ltd.

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ 230	\$ 412
Investment income due and accrued	—	—
Due from The Canada Life Assurance Company (note 8)	—	307
Due from brokers	—	—
Due from outside parties	—	—
Investments		
Investment fund units (note 3)	251,943	205,776
Total investments	251,943	205,776
Total assets	\$ 252,173	\$ 206,495
Liabilities		
Overdrafts	\$ —	\$ —
Due to The Canada Life Assurance Company (note 8)	2	—
Due to brokers	168	289
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	170	289
Net assets attributable to contractholders	\$ 252,003	\$ 206,206

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 18,819	\$ (25,404)
Miscellaneous income (loss)	—	—
Total income (loss)	18,819	(25,404)
Expenses		
Management fees (note 8)	2,160	1,829
Other	253	207
Total expenses	2,413	2,036
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 16,406	\$ (27,440)

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year	\$ 206,206	\$ 192,728
Contractholder deposits	59,470	55,166
Contractholder withdrawals	(30,079)	(14,248)
Increase (decrease) in net assets from operations attributable to contractholders	16,406	(27,440)
Change in net assets attributable to contractholders	45,797	13,478
Net assets attributable to contractholders - end of year	\$ 252,003	\$ 206,206

Pathways Global Multi Sector Bond Fund (Brandywine) SF542

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 16,406	\$ (27,440)
Adjustments		
Realized (gains) losses	1,594	656
Unrealized (gains) losses	(10,603)	32,124
Gross proceeds of disposition of investments	10,470	5,511
Gross payments for the purchase of investments	(37,818)	(44,816)
Distribution income of underlying mutual fund	(9,810)	(7,376)
Change in due from/to The Canada Life Assurance Company	309	(92)
Change in due from/to brokers	(121)	79
	<u>(29,573)</u>	<u>(41,354)</u>
Financing Activities		
Contractholder deposits	59,470	55,166
Contractholder withdrawals	(30,079)	(14,248)
	<u>29,391</u>	<u>40,918</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	(182)	(436)
Cash, short-term deposits and overdrafts, beginning of year	412	848
Cash, short-term deposits and overdrafts, end of year	\$ 230	\$ 412

Pathways Global Multi Sector Bond Fund (Brandywine) SF542

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units)

As at December 31, 2023

	<u>No. of Units</u>	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units			
Canada Life Global Multi-Sector Bond Fund Series S *	27,268,648	279,023	251,943
Total Investments		279,023	251,943

Top 25 Holdings

Security Description	% of Total
United States Treasury Floating Rate 01-31-2025	21.14%
Cash and short-term deposits	6.08%
United Kingdom Gilt 3.75% 10-22-2053	5.77%
United Mexican States 8.00% 07-31-2053	4.47%
Republic of Columbia 7.00% 03-26-2031	3.79%
Government of Spain 1.90% 10-31-2052 144A	2.99%
Petroleos Mexicanos 5.35% 02-12-2028	2.35%
Federative Republic of Brazil 10.00% 01-01-2027	2.25%
Federal Home Loan Mortgage Corp. 4.50% 09-01-2052	1.47%
New Fortress Energy Inc. 6.75% 09-15-2025 144A	1.44%
Federal Home Loan Mortgage Corp. Floating Rate 01-25-2034 144A	1.10%
Republic of Colombia 7.25% 10-26-2050	1.01%
KeyBank NA Floating Rate 06-14-2024	0.99%
UBS Group AG Floating Rate 08-12-2033 144A	0.97%
Ares Capital Corp. 7.00% 01-15-2027	0.94%
Hudbay Minerals Inc. 4.50% 04-01-2026 144A	0.91%
Federal National Mortgage Assoc. Floating Rate 10-25-2039 144A	0.90%
Air Canada 3.88% 08-15-2026 144A	0.86%
Federal National Mortgage Assoc. Floating Rate 07-25-2031 144A	0.81%
DISH Network Corp. 3.38% 08-15-2026 Conv.	0.80%
Altice Financing SA 5.00% 01-15-2028	0.79%
Venture Global LNG Inc. 8.13% 06-01-2028 144A	0.79%
Baytex Energy Corp. 8.50% 04-30-2030 144A	0.75%
XP Controle Participacoes SA 3.25% 07-01-2026 144A	0.75%
Federal Home Loan Mortgage Corp. Floating Rate 12-25-2050 144A	0.74%

*The issuer of this security is a related company to the issuer of the Fund.

Pathways Global Multi Sector Bond Fund (Brandywine) SF542

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance. Portfolio units are allocated to each category as described in note 4 and are not included on this page.

Net Assets Attributable to Contractholders by Category

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
75/75 guarantee policy	1,334,370	1,129,010	1,082,422	571,170	124,160	13,450	10,724	11,984	6,424	1,261
75/100 guarantee policy	3,619,266	3,045,844	2,629,506	1,107,496	184,704	36,155	28,720	28,949	12,406	1,872
PS1 75/75 guarantee policy	2,141,450	1,199,511	1,032,443	479,607	77,451	21,897	11,518	11,517	5,416	787
PS1 75/100 guarantee policy	3,996,094	3,182,507	2,264,374	960,223	110,145	40,654	30,439	25,186	10,824	1,118
PS2 75/75 guarantee policy	361,352	555,728	249,978	114,908	17,992	4,038	5,717	2,929	1,336	185
PS2 75/100 guarantee policy	705,259	538,377	436,609	224,972	41,268	7,881	5,539	5,115	2,616	424
PS 75/75 guarantee policy	137,594	132,437	102,231	53,488	17,590	1,420	1,281	1,146	606	179
PS 75/100 guarantee policy	402,333	297,441	241,934	89,288	39,059	4,121	2,860	2,701	1,009	397
PPS 75/75 guarantee policy	439,751	394,042	290,589	95,045	13,528	4,611	3,858	3,287	1,082	138
PPS 75/100 guarantee policy	716,772	572,893	380,638	140,250	10,085	7,478	5,588	4,293	1,594	103
75/75 Constellation	236,268	257,021	233,702	79,578	—	2,379	2,428	2,562	882	—
75/100 Constellation	284,114	348,278	292,247	108,627	—	2,842	3,274	3,194	1,203	—
100/100 Constellation	6,043	8,207	19,678	11,365	—	60	77	214	126	—

Net Assets Attributable to Contractholders Per Unit (note 7)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
75/75 guarantee policy	10.08	9.50	11.07	11.25	10.16	0.58	(1.57)
75/100 guarantee policy	9.99	9.43	11.01	11.20	10.13	0.56	(1.58)
PS1 75/75 guarantee policy	10.23	9.60	11.15	11.29	10.16	0.63	(1.55)
PS1 75/100 guarantee policy	10.17	9.56	11.12	11.27	10.16	0.61	(1.56)
PS2 75/75 guarantee policy	11.18	10.29	11.72	11.63	10.27	0.89	(1.43)
PS2 75/100 guarantee policy	11.18	10.29	11.72	11.63	10.27	0.89	(1.43)
PS 75/75 guarantee policy	10.32	9.67	11.21	11.33	10.17	0.65	(1.54)
PS 75/100 guarantee policy	10.24	9.62	11.16	11.30	10.16	0.62	(1.54)
PPS 75/75 guarantee policy	10.48	9.79	11.31	11.39	10.19	0.69	(1.52)
PPS 75/100 guarantee policy	10.43	9.75	11.28	11.37	10.19	0.68	(1.53)
75/75 Constellation	10.07	9.45	10.96	11.09	—	0.62	(1.51)
75/100 Constellation	10.00	9.40	10.93	11.07	—	0.60	(1.53)
100/100 Constellation	9.94	9.36	10.89	11.05	—	0.58	(1.53)

Pathways Global Multi Sector Bond Fund (Brandywine) SF542

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Pathways Global Multi Sector Bond Fund (Brandywine) SF542 (the Fund) is offered by The Canada Life Assurance Company (Canada Life or the Company).

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

Pathways Global Multi Sector Bond Fund (Brandywine) SF542

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

Pathways Global Multi Sector Bond Fund (Brandywine) SF542

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in note 9 on Financial Instrument Risk Management.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

Pathways Global Multi Sector Bond Fund (Brandywine) SF542

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Investment Fund Units

Investment fund units are recorded at fair value, which is the closing net asset value (NAV) per unit of the underlying fund.

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Pathways Global Multi Sector Bond Fund (Brandywine) SF542

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

Pathways Global Multi Sector Bond Fund (Brandywine) SF542

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

k) Income Allocation

Net gain (loss) on investments, which includes realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the NAV per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

3. INVESTMENT FUND UNITS

Investment fund units of the Fund invest solely in underlying mutual funds.

As the Fund's assets are invested in underlying investment funds, the Fund indirectly pays management fees and operating expenses of the underlying funds. All such charges are included in the management expense ratio of the segregated funds.

Distributions of income from the underlying investment funds are shown as net gain (loss) on investments on the Statement of Comprehensive Income.

Investment activity of the underlying fund indirectly exposes the Fund to financial risk. See note 9 on Financial Instrument Risk Management.

Investments in unconsolidated structured entities

The Company has determined that the Fund meets the definition of an investment entity and as such, accounts for its holdings in unlisted open-ended investment funds at FVTPL. The Company has concluded that the underlying funds in which the Fund invests, but do not consolidate, meet the definition of structured entities because: (i) the voting rights in the underlying funds are not dominant rights in deciding who controls them; (ii) each underlying fund's activities are restricted by its prospectus; and (iii) the underlying funds have narrow and well-defined objectives to provide investment opportunities to investors.

Pathways Global Multi Sector Bond Fund (Brandywine) SF542

Notes to the Financial Statements

(in Canadian \$ thousands)

4. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Emperor,
- Flex,
- Generations/Mosaic,
- Generations I,
- Generations II,
- Generations Core,
- Prestige/Prestige Plus, and
- Private Collections.

In addition to the Individual units, units are available for:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S1C 75/75 Constellation IC Wealth,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S2C 75/75 Constellation IC Wealth,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy,
- Option S3HF PPS 100/100 guarantee policy, and
- Option S3C 75/75 Constellation IC Wealth.

Portfolio units are those units owned by the Asset Allocation Funds. Each Portfolio fund is represented by a separate category.

The categories of units, and the various levels within each, are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

Pathways Global Multi Sector Bond Fund (Brandywine) SF542

Notes to the Financial Statements

(in Canadian \$ thousands)

5. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

6. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

7. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

The NAV per unit for group contractholders has not been shown because it will vary for each sub-class within the group contractholder class based on negotiated expense levels and other factors.

Pathways Global Multi Sector Bond Fund (Brandywine) SF542

Notes to the Financial Statements

(in Canadian \$ thousands)

8. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.
- c) The Fund invests in assets or underlying funds managed by Canada Life Investment Management Ltd. All investment transactions with the corresponding underlying funds are at quoted market prices.

Pathways Global Multi Sector Bond Fund (Brandywine) SF542

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT

a) Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023. The following sections describe the significant risks that are relevant to the Fund.

To assist with managing risk, the Fund Manager maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and securities regulations. Financial statements for the underlying funds, which include discussions about their respective risk exposure, are available upon request.

b) Liquidity Risk

Liquidity risk arises when a Fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units. As the Fund primarily invests all of its net assets in the underlying funds, liquidity risk is mitigated by the underlying funds' ability to meet the obligation to fund daily cash redemptions of their redeemable units/shares. In addition, the underlying funds retain sufficient cash and cash equivalent positions to maintain adequate liquidity.

c) Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The Fund's investments in all underlying funds are denominated in Canadian dollars. However, the Fund is indirectly exposed to currency risk to the extent that the investments of the underlying funds are denominated or traded in a foreign currency.

d) Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund does not directly hold any interest-bearing financial instruments. The Fund is indirectly exposed to the risk that the value of interest-bearing financial instruments held by the underlying funds will fluctuate due to changes in the prevailing levels of market interest rates.

e) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund has no direct exposure to credit risk. The greatest indirect concentration of credit risk is in debt securities, such as bonds, held by underlying funds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer.

f) Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. For the instruments held by the Fund, maximum risk of loss is equivalent to their fair value. The Fund Manager moderates this risk through a careful selection of underlying funds within the parameters of the investment strategy.

g) Fair Value Classification

Investment Fund Units are recorded at fair value, which is the closing NAV per unit of the underlying fund. This valuation is considered to be a Level 1 classification.

Pathways Global Multi Sector Bond Fund (Brandywine) SF542

Supplemental Information *(unaudited)*

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾

For the years ended December 31	2023	2022	2021	2020	2019
75/75 guarantee policy	2.33	2.33	2.31	2.31	2.30
75/100 guarantee policy	2.50	2.49	2.47	2.47	2.46
PS1 75/75 guarantee policy	1.99	1.98	1.97	1.94	1.96
PS1 75/100 guarantee policy	2.10	2.09	2.07	2.07	2.05
PS 75/75 guarantee policy	1.78	1.77	1.76	1.76	1.74
PS 75/100 guarantee policy	1.94	1.94	1.92	1.93	1.91
PPS 75/75 guarantee policy	1.43	1.43	1.42	1.39	1.41
PPS 75/100 guarantee policy	1.54	1.54	1.53	1.51	1.52
75/75 Constellation	1.90	1.89	1.87	1.86	—
75/100 Constellation	2.06	2.06	2.04	2.05	—
100/100 Constellation	2.23	2.24	2.21	2.20	—

Unsubsidized Management Expense Ratio (%) ⁽²⁾

For the years ended December 31	2023	2022	2021	2020	2019
PS1 75/75 guarantee policy	1.99	1.98	1.97	1.96	1.96
PS1 75/100 guarantee policy	2.10	2.09	2.07	2.09	2.05
PPS 75/75 guarantee policy	1.43	1.43	1.42	1.41	1.41
PPS 75/100 guarantee policy	1.54	1.54	1.53	1.53	1.52

Portfolio Turnover Rate (%) ⁽³⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	4.69	2.80	1.14	4.08	28.89

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The Company has waived a portion of the fees for the Preferred Series 1 and Preferred Partner Series guarantee policies. There is no obligation for the Company to continue waiving these fees and it may cease to do so at any time without notice.

(3) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
PATHWAYS CANADIAN EQUITY FUND (GWLIM) SF543

December 31, 2023

Independent Auditor's Report

To the Contractholders of Pathways Canadian Equity Fund (GWLIM) SF543 (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

Pathways Canadian Equity Fund (GWLIM) SF543

(in Canadian \$ thousands)

Fund Manager: Canada Life Investment Management Ltd.

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ —	\$ 57
Investment income due and accrued	—	—
Due from The Canada Life Assurance Company (note 8)	—	92
Due from brokers	—	—
Due from outside parties	—	—
Investments		
Investment fund units (note 3)	162,653	133,500
Total investments	162,653	133,500
Total assets	\$ 162,653	\$ 133,649
Liabilities		
Overdrafts	\$ 5	\$ —
Due to The Canada Life Assurance Company (note 8)	2	—
Due to brokers	31	24
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	38	24
Net assets attributable to contractholders	\$ 162,615	\$ 133,625

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 13,598	\$ 681
Miscellaneous income (loss)	—	—
Total income (loss)	13,598	681
Expenses		
Management fees (note 8)	332	290
Other	36	33
Total expenses	368	323
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 13,230	\$ 358

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year	\$ 133,625	\$ 145,960
Contractholder deposits	28,953	15,907
Contractholder withdrawals	(13,193)	(28,600)
Increase (decrease) in net assets from operations attributable to contractholders	13,230	358
Change in net assets attributable to contractholders	28,990	(12,335)
Net assets attributable to contractholders - end of year	\$ 162,615	\$ 133,625

Pathways Canadian Equity Fund (GWLIM) SF543

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 13,230	\$ 358
Adjustments		
Realized (gains) losses	(1,406)	(4,365)
Unrealized (gains) losses	(6,844)	7,463
Gross proceeds of disposition of investments	126,827	24,516
Gross payments for the purchase of investments	(142,382)	(11,508)
Distribution income of underlying mutual fund	(5,348)	(3,779)
Change in due from/to The Canada Life Assurance Company	94	17
Change in due from/to brokers	7	115
	<u>(15,822)</u>	<u>12,817</u>
Financing Activities		
Contractholder deposits	28,953	15,907
Contractholder withdrawals	(13,193)	(28,600)
	<u>15,760</u>	<u>(12,693)</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	(62)	124
Cash, short-term deposits and overdrafts, beginning of year	57	(67)
Cash, short-term deposits and overdrafts, end of year	\$ (5)	\$ 57

Pathways Canadian Equity Fund (GWLIM) SF543

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units)

As at December 31, 2023

	<u>No. of Units</u>	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units			
Canada Life Canadian Growth Fund Series S *	6,334,147	138,982	162,653
Total Investments		138,982	162,653

Top 25 Holdings

Security Description	% of Total
Royal Bank of Canada	7.64%
The Toronto-Dominion Bank	6.60%
Bank of Montreal	4.89%
Canadian Natural Resources Ltd.	4.03%
Canadian Pacific Kansas City Ltd.	3.70%
Shopify Inc.	3.05%
Constellation Software Inc.	3.04%
Canadian National Railway Co.	3.01%
Alimentation Couche-Tard Inc.	2.56%
Brookfield Corp.	2.54%
Enbridge Inc.	2.47%
Intact Financial Corp.	2.44%
Loblaw Companies Ltd.	2.08%
CGI Group Inc. Class A sub. voting	2.03%
Teck Resources Ltd. Class B	2.00%
Fairfax Financial Holdings Ltd. sub. voting	1.92%
Waste Connections Inc.	1.81%
National Bank of Canada	1.80%
ARC Resources Ltd.	1.79%
Dollarama Inc.	1.79%
Pembina Pipeline Corp.	1.70%
Tourmaline Oil Corp.	1.69%
Brookfield Infrastructure Partners LP Partnership Units	1.61%
Boyd Group Services Inc.	1.55%
Wheaton Precious Metals Corp.	1.55%

*The issuer of this security is a related company to the issuer of the Fund.

Pathways Canadian Equity Fund (GWLIM) SF543

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance. Portfolio units are allocated to each category as described in note 4 and are not included on this page.

Net Assets Attributable to Contractholders by Category

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
75/75 guarantee policy	159,321	137,005	95,998	50,919	12,914	2,079	1,681	1,211	530	133
75/100 guarantee policy	168,201	149,315	100,547	51,090	14,703	2,175	1,818	1,260	530	151
PS1 75/75 guarantee policy	161,652	158,991	86,915	38,903	10,163	2,150	1,979	1,107	407	105
PS1 75/100 guarantee policy	176,491	167,963	107,956	90,188	34,636	2,324	2,075	1,367	941	356
PS2 75/75 guarantee policy	15,629	18,225	22,823	96	7,153	230	246	308	1	75
PS2 75/100 guarantee policy	54,085	58,350	36,496	26,422	2,538	796	786	492	286	26
PS 75/75 guarantee policy	8,915	9,127	6,658	6,243	—	122	116	86	66	—
PS 75/100 guarantee policy	8,924	6,008	4,793	1,611	2,798	121	76	62	17	29
PPS 75/75 guarantee policy	355	—	—	136	—	5	—	—	1	—
PPS 75/100 guarantee policy	672	325	—	5,804	1,582	9	4	—	62	16
75/75 Constellation	422,553	378,788	334,563	124,631	—	5,457	4,552	4,089	1,245	—
75/100 Constellation	328,878	320,232	281,106	135,270	—	4,192	3,811	3,413	1,347	—
100/100 Constellation	30,573	31,687	35,901	11,451	—	385	373	433	114	—

Net Assets Attributable to Contractholders Per Unit (note 7)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
75/75 guarantee policy	13.05	12.27	12.61	10.42	10.30	0.78	(0.34)
75/100 guarantee policy	12.93	12.18	12.53	10.37	10.27	0.75	(0.35)
PS1 75/75 guarantee policy	13.30	12.45	12.74	10.47	10.30	0.85	(0.29)
PS1 75/100 guarantee policy	13.17	12.35	12.66	10.44	10.29	0.82	(0.31)
PS2 75/75 guarantee policy	14.73	13.48	13.48	10.84	10.43	1.25	—
PS2 75/100 guarantee policy	14.73	13.48	13.48	10.84	10.43	1.25	—
PS 75/75 guarantee policy	13.71	12.75	12.96	10.59	—	0.96	(0.21)
PS 75/100 guarantee policy	13.60	12.67	12.89	10.55	10.33	0.93	(0.22)
PPS 75/75 guarantee policy	13.99	—	—	10.66	—	1.04	—
PPS 75/100 guarantee policy	13.85	12.85	—	10.62	10.35	1.00	(0.18)
75/75 Constellation	12.92	12.02	12.22	9.99	—	0.90	(0.20)
75/100 Constellation	12.75	11.90	12.14	9.96	—	0.85	(0.24)
100/100 Constellation	12.58	11.78	12.06	9.93	—	0.80	(0.28)

Pathways Canadian Equity Fund (GWLIM) SF543

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Pathways Canadian Equity Fund (GWLIM) SF543 (the Fund) is offered by The Canada Life Assurance Company (Canada Life or the Company).

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

Pathways Canadian Equity Fund (GWLIM) SF543

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

Pathways Canadian Equity Fund (GWLIM) SF543

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in note 9 on Financial Instrument Risk Management.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

Pathways Canadian Equity Fund (GWLIM) SF543

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Investment Fund Units

Investment fund units are recorded at fair value, which is the closing net asset value (NAV) per unit of the underlying fund.

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Pathways Canadian Equity Fund (GWLIM) SF543

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

Pathways Canadian Equity Fund (GWLIM) SF543

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

k) Income Allocation

Net gain (loss) on investments, which includes realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the NAV per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

3. INVESTMENT FUND UNITS

Investment fund units of the Fund invest solely in underlying mutual funds.

As the Fund's assets are invested in underlying investment funds, the Fund indirectly pays management fees and operating expenses of the underlying funds. All such charges are included in the management expense ratio of the segregated funds.

Distributions of income from the underlying investment funds are shown as net gain (loss) on investments on the Statement of Comprehensive Income.

Investment activity of the underlying fund indirectly exposes the Fund to financial risk. See note 9 on Financial Instrument Risk Management.

Investments in unconsolidated structured entities

The Company has determined that the Fund meets the definition of an investment entity and as such, accounts for its holdings in unlisted open-ended investment funds at FVTPL. The Company has concluded that the underlying funds in which the Fund invests, but do not consolidate, meet the definition of structured entities because: (i) the voting rights in the underlying funds are not dominant rights in deciding who controls them; (ii) each underlying fund's activities are restricted by its prospectus; and (iii) the underlying funds have narrow and well-defined objectives to provide investment opportunities to investors.

Pathways Canadian Equity Fund (GWLIM) SF543

Notes to the Financial Statements

(in Canadian \$ thousands)

4. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Emperor,
- Flex,
- Generations/Mosaic,
- Generations I,
- Generations II,
- Generations Core,
- Prestige/Prestige Plus, and
- Private Collections.

In addition to the Individual units, units are available for:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S1C 75/75 Constellation IC Wealth,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S2C 75/75 Constellation IC Wealth,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy,
- Option S3HF PPS 100/100 guarantee policy, and
- Option S3C 75/75 Constellation IC Wealth.

Portfolio units are those units owned by the Asset Allocation Funds. Each Portfolio fund is represented by a separate category.

The categories of units, and the various levels within each, are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

Pathways Canadian Equity Fund (GWLIM) SF543

Notes to the Financial Statements

(in Canadian \$ thousands)

5. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

6. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

7. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

The NAV per unit for group contractholders has not been shown because it will vary for each sub-class within the group contractholder class based on negotiated expense levels and other factors.

Pathways Canadian Equity Fund (GWLIM) SF543

Notes to the Financial Statements

(in Canadian \$ thousands)

8. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.
- c) The Fund invests in assets or underlying funds managed by Canada Life Investment Management Ltd. All investment transactions with the corresponding underlying funds are at quoted market prices.

Pathways Canadian Equity Fund (GWLIM) SF543

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT

a) Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023. The following sections describe the significant risks that are relevant to the Fund.

To assist with managing risk, the Fund Manager maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and securities regulations. Financial statements for the underlying funds, which include discussions about their respective risk exposure, are available upon request.

b) Liquidity Risk

Liquidity risk arises when a Fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units. As the Fund primarily invests all of its net assets in the underlying funds, liquidity risk is mitigated by the underlying funds' ability to meet the obligation to fund daily cash redemptions of their redeemable units/shares. In addition, the underlying funds retain sufficient cash and cash equivalent positions to maintain adequate liquidity.

c) Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The Fund's investments in all underlying funds are denominated in Canadian dollars. However, the Fund is indirectly exposed to currency risk to the extent that the investments of the underlying funds are denominated or traded in a foreign currency.

d) Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund does not directly hold any interest-bearing financial instruments. The Fund is indirectly exposed to the risk that the value of interest-bearing financial instruments held by the underlying funds will fluctuate due to changes in the prevailing levels of market interest rates.

e) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund has no direct exposure to credit risk. The greatest indirect concentration of credit risk is in debt securities, such as bonds, held by underlying funds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer.

f) Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. For the instruments held by the Fund, maximum risk of loss is equivalent to their fair value. The Fund Manager moderates this risk through a careful selection of underlying funds within the parameters of the investment strategy.

g) Fair Value Classification

Investment Fund Units are recorded at fair value, which is the closing NAV per unit of the underlying fund. This valuation is considered to be a Level 1 classification.

Pathways Canadian Equity Fund (GWLIM) SF543

Supplemental Information (unaudited)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾

For the years ended December 31	2023	2022	2021	2020	2019
75/75 guarantee policy	2.70	2.70	2.70	2.72	2.65
75/100 guarantee policy	2.86	2.87	2.87	2.89	2.84
PS1 75/75 guarantee policy	2.25	2.25	2.25	2.25	2.22
PS1 75/100 guarantee policy	2.47	2.47	2.48	2.47	2.44
PS 75/75 guarantee policy	1.59	1.60	1.60	1.62	—
PS 75/100 guarantee policy	1.76	1.77	1.76	1.79	1.73
PPS 75/75 guarantee policy	1.14	—	—	1.14	—
PPS 75/100 guarantee policy	1.36	1.38	—	1.35	1.35
75/75 Constellation	1.66	1.66	1.65	1.65	—
75/100 Constellation	1.99	2.00	1.99	1.98	—
100/100 Constellation	2.32	2.34	2.32	2.32	—

Unsubsidized Management Expense Ratio (%) ⁽²⁾

For the years ended December 31	2023	2022	2021	2020	2019
PS1 75/75 guarantee policy	2.25	2.25	2.25	2.27	2.22
PS1 75/100 guarantee policy	2.47	2.47	2.48	2.49	2.44
PPS 75/75 guarantee policy	1.14	—	—	1.16	—
PPS 75/100 guarantee policy	1.36	1.38	—	1.37	1.35

Portfolio Turnover Rate (%) ⁽³⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	86.66	8.37	6.45	3.02	7.39

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The Company has waived a portion of the fees for the Preferred Series 1 and Preferred Partner Series guarantee policies. There is no obligation for the Company to continue waiving these fees and it may cease to do so at any time without notice.

(3) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
PATHWAYS CANADIAN CONCENTRATED EQUITY FUND (GALIBIER)
SF544

December 31, 2023

Independent Auditor's Report

To the Contractholders of Pathways Canadian Concentrated Equity Fund (Galibier) SF544 (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

Pathways Canadian Concentrated Equity Fund (Galibier) SF544

(in Canadian \$ thousands)

Fund Manager: Canada Life Investment Management Ltd.

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ 258	\$ —
Investment income due and accrued	—	—
Due from The Canada Life Assurance Company (note 8)	50	—
Due from brokers	—	—
Due from outside parties	—	—
Investments		
Investment fund units (note 3)	53,574	44,813
Total investments	53,574	44,813
Total assets	\$ 53,882	\$ 44,813
Liabilities		
Overdrafts	\$ —	\$ 85
Due to The Canada Life Assurance Company (note 8)	—	4
Due to brokers	132	21
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	132	110
Net assets attributable to contractholders	\$ 53,750	\$ 44,703

Statement of Comprehensive Income

	December 31 2023	December 31 2022
For the years ended		
Income		
Net gain (loss) on investments	\$ 2,684	\$ (1,735)
Miscellaneous income (loss)	—	—
Total income (loss)	2,684	(1,735)
Expenses		
Management fees (note 8)	1,023	904
Other	115	102
Total expenses	1,138	1,006
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 1,546	\$ (2,741)

Statement of Changes in Net Assets Attributable to Contractholders

	December 31 2023	December 31 2022
For the years ended		
Net assets attributable to contractholders - beginning of year		
	\$ 44,703	\$ 41,736
Contractholder deposits	15,349	9,837
Contractholder withdrawals	(7,848)	(4,129)
Increase (decrease) in net assets from operations attributable to contractholders	1,546	(2,741)
Change in net assets attributable to contractholders	9,047	2,967
Net assets attributable to contractholders - end of year	\$ 53,750	\$ 44,703

Pathways Canadian Concentrated Equity Fund (Galibier) SF544

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 1,546	\$ (2,741)
Adjustments		
Realized (gains) losses	(161)	(396)
Unrealized (gains) losses	(1,264)	4,089
Gross proceeds of disposition of investments	5,115	5,055
Gross payments for the purchase of investments	(11,192)	(10,100)
Distribution income of underlying mutual fund	(1,259)	(1,958)
Change in due from/to The Canada Life Assurance Company	(54)	112
Change in due from/to brokers	111	(76)
	<u>(7,158)</u>	<u>(6,015)</u>
Financing Activities		
Contractholder deposits	15,349	9,837
Contractholder withdrawals	(7,848)	(4,129)
	<u>7,501</u>	<u>5,708</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	343	(307)
Cash, short-term deposits and overdrafts, beginning of year	(85)	222
Cash, short-term deposits and overdrafts, end of year	\$ 258	\$ (85)

Pathways Canadian Concentrated Equity Fund (Galibier) SF544

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units)

As at December 31, 2023

	<u>No. of Units</u>	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units			
Canada Life Canadian Concentrated Equity Fund Series S *	4,342,506	51,204	53,574
Total Investments		51,204	53,574

Top 25 Holdings

Security Description	% of Total
Royal Bank of Canada	6.66%
The Toronto-Dominion Bank	4.82%
Shopify Inc.	4.37%
Canadian Natural Resources Ltd.	3.50%
Bank of Montreal	3.48%
Canadian Pacific Kansas City Ltd.	3.24%
Constellation Software Inc.	3.21%
Canadian National Railway Co.	2.51%
Alimentation Couche-Tard Inc.	2.33%
Enbridge Inc.	2.19%
Agnico Eagle Mines Ltd.	2.12%
Rogers Communications Inc. Class B non-voting	1.65%
Brookfield Corp.	1.64%
Cameco Corp.	1.59%
Intact Financial Corp.	1.59%
Thomson Reuters Corp.	1.53%
Pembina Pipeline Corp.	1.51%
Canadian Imperial Bank of Commerce	1.50%
Dollarama Inc.	1.44%
Fortis Inc.	1.39%
Fairfax Financial Holdings Ltd. sub. voting	1.36%
Tourmaline Oil Corp.	1.34%
Nutrien Ltd.	1.26%
WSP Global Inc.	1.26%
National Bank of Canada	1.24%

*The issuer of this security is a related company to the issuer of the Fund.

Pathways Canadian Concentrated Equity Fund (Galibier) SF544

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Net Assets Attributable to Contractholders by Category

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
75/75 guarantee policy	595,367	471,182	403,671	197,603	35,590	7,391	5,676	5,173	2,193	374
75/100 guarantee policy	780,361	745,431	636,648	314,271	100,258	9,554	8,881	8,091	3,469	1,051
PS1 75/75 guarantee policy	719,528	459,324	380,657	243,390	115,040	9,042	5,585	4,909	2,711	1,210
PS1 75/100 guarantee policy	676,652	554,508	400,667	250,152	112,591	8,394	6,675	5,130	2,773	1,182
PS2 75/75 guarantee policy	80,513	64,495	88,740	22,510	77	1,129	854	1,217	260	1
PS2 75/100 guarantee policy	78,812	39,106	36,778	40,472	20,011	1,105	518	504	468	213
PS 75/75 guarantee policy	12,521	11,330	7,141	3,156	2,061	163	142	94	36	22
PS 75/100 guarantee policy	57,285	59,672	36,530	20,952	19,373	738	740	478	235	204
PPS 75/75 guarantee policy	31,962	32,987	25,169	34,444	2,512	423	417	334	390	26
PPS 75/100 guarantee policy	170,111	176,107	150,656	42,612	—	2,220	2,206	1,985	481	—
75/75 Constellation	571,937	536,075	488,752	118,053	—	6,931	6,239	5,987	1,239	—
75/100 Constellation	545,881	575,782	612,544	214,214	—	6,529	6,636	7,455	2,242	—
100/100 Constellation	11,111	11,782	31,362	3,513	—	131	134	379	37	—

Net Assets Attributable to Contractholders Per Unit (note 7)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
75/75 guarantee policy	12.41	12.05	12.81	11.10	10.51	0.36	(0.76)
75/100 guarantee policy	12.24	11.91	12.71	11.04	10.48	0.33	(0.80)
PS1 75/75 guarantee policy	12.57	12.16	12.90	11.14	10.52	0.41	(0.74)
PS1 75/100 guarantee policy	12.41	12.04	12.80	11.09	10.50	0.37	(0.76)
PS2 75/75 guarantee policy	14.02	13.24	13.71	11.55	10.65	0.78	(0.47)
PS2 75/100 guarantee policy	14.02	13.24	13.71	11.55	10.65	0.78	(0.47)
PS 75/75 guarantee policy	13.04	12.52	13.17	11.28	10.56	0.52	(0.65)
PS 75/100 guarantee policy	12.88	12.39	13.08	11.23	10.55	0.49	(0.69)
PPS 75/75 guarantee policy	13.22	12.65	13.27	11.33	10.58	0.57	(0.62)
PPS 75/100 guarantee policy	13.05	12.52	13.17	11.28	—	0.53	(0.65)
75/75 Constellation	12.12	11.64	12.25	10.50	—	0.48	(0.61)
75/100 Constellation	11.96	11.52	12.17	10.47	—	0.44	(0.65)
100/100 Constellation	11.80	11.41	12.09	10.43	—	0.39	(0.68)

Pathways Canadian Concentrated Equity Fund (Galibier) SF544

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Pathways Canadian Concentrated Equity Fund (Galibier) SF544 (the Fund) is offered by The Canada Life Assurance Company (Canada Life or the Company).

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

Pathways Canadian Concentrated Equity Fund (Galibier) SF544

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

Pathways Canadian Concentrated Equity Fund (Galibier) SF544

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in note 9 on Financial Instrument Risk Management.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

Pathways Canadian Concentrated Equity Fund (Galibier) SF544

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Investment Fund Units

Investment fund units are recorded at fair value, which is the closing net asset value (NAV) per unit of the underlying fund.

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Pathways Canadian Concentrated Equity Fund (Galibier) SF544

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

Pathways Canadian Concentrated Equity Fund (Galibier) SF544

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

k) Income Allocation

Net gain (loss) on investments, which includes realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the NAV per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

3. INVESTMENT FUND UNITS

Investment fund units of the Fund invest solely in underlying mutual funds.

As the Fund's assets are invested in underlying investment funds, the Fund indirectly pays management fees and operating expenses of the underlying funds. All such charges are included in the management expense ratio of the segregated funds.

Distributions of income from the underlying investment funds are shown as net gain (loss) on investments on the Statement of Comprehensive Income.

Investment activity of the underlying fund indirectly exposes the Fund to financial risk. See note 9 on Financial Instrument Risk Management.

Investments in unconsolidated structured entities

The Company has determined that the Fund meets the definition of an investment entity and as such, accounts for its holdings in unlisted open-ended investment funds at FVTPL. The Company has concluded that the underlying funds in which the Fund invests, but do not consolidate, meet the definition of structured entities because: (i) the voting rights in the underlying funds are not dominant rights in deciding who controls them; (ii) each underlying fund's activities are restricted by its prospectus; and (iii) the underlying funds have narrow and well-defined objectives to provide investment opportunities to investors.

Pathways Canadian Concentrated Equity Fund (Galibier) SF544

Notes to the Financial Statements

(in Canadian \$ thousands)

4. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Emperor,
- Flex,
- Generations/Mosaic,
- Generations I,
- Generations II,
- Generations Core,
- Prestige/Prestige Plus, and
- Private Collections.

In addition to the Individual units, units are available for:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S1C 75/75 Constellation IC Wealth,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S2C 75/75 Constellation IC Wealth,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy,
- Option S3HF PPS 100/100 guarantee policy, and
- Option S3C 75/75 Constellation IC Wealth.

The categories of units, and the various levels within each, are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

Pathways Canadian Concentrated Equity Fund (Galibier) SF544

Notes to the Financial Statements

(in Canadian \$ thousands)

5. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

6. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

7. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

The NAV per unit for group contractholders has not been shown because it will vary for each sub-class within the group contractholder class based on negotiated expense levels and other factors.

Pathways Canadian Concentrated Equity Fund (Galibier) SF544

Notes to the Financial Statements

(in Canadian \$ thousands)

8. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.
- c) The Fund invests in assets or underlying funds managed by Canada Life Investment Management Ltd. All investment transactions with the corresponding underlying funds are at quoted market prices.

Pathways Canadian Concentrated Equity Fund (Galibier) SF544

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT

a) Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023. The following sections describe the significant risks that are relevant to the Fund.

To assist with managing risk, the Fund Manager maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and securities regulations. Financial statements for the underlying funds, which include discussions about their respective risk exposure, are available upon request.

b) Liquidity Risk

Liquidity risk arises when a Fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units. As the Fund primarily invests all of its net assets in the underlying funds, liquidity risk is mitigated by the underlying funds' ability to meet the obligation to fund daily cash redemptions of their redeemable units/shares. In addition, the underlying funds retain sufficient cash and cash equivalent positions to maintain adequate liquidity.

c) Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The Fund's investments in all underlying funds are denominated in Canadian dollars. However, the Fund is indirectly exposed to currency risk to the extent that the investments of the underlying funds are denominated or traded in a foreign currency.

d) Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund does not directly hold any interest-bearing financial instruments. The Fund is indirectly exposed to the risk that the value of interest-bearing financial instruments held by the underlying funds will fluctuate due to changes in the prevailing levels of market interest rates.

e) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund has no direct exposure to credit risk. The greatest indirect concentration of credit risk is in debt securities, such as bonds, held by underlying funds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer.

f) Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. For the instruments held by the Fund, maximum risk of loss is equivalent to their fair value. The Fund Manager moderates this risk through a careful selection of underlying funds within the parameters of the investment strategy.

g) Fair Value Classification

Investment Fund Units are recorded at fair value, which is the closing NAV per unit of the underlying fund. This valuation is considered to be a Level 1 classification.

Pathways Canadian Concentrated Equity Fund (Galibier) SF544

Supplemental Information (unaudited)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾

For the years ended December 31	2023	2022	2021	2020	2019
75/75 guarantee policy	2.71	2.71	2.72	2.74	2.66
75/100 guarantee policy	2.99	2.99	2.99	3.02	2.94
PS1 75/75 guarantee policy	2.42	2.42	2.43	2.43	2.37
PS1 75/100 guarantee policy	2.70	2.70	2.71	2.71	2.64
PS 75/75 guarantee policy	1.60	1.60	1.60	1.62	1.57
PS 75/100 guarantee policy	1.88	1.87	1.89	1.91	1.84
PPS 75/75 guarantee policy	1.32	1.31	1.32	1.32	1.29
PPS 75/100 guarantee policy	1.59	1.59	1.59	1.60	—
75/75 Constellation	1.67	1.67	1.66	1.66	—
75/100 Constellation	2.00	2.00	2.00	1.99	—
100/100 Constellation	2.33	2.36	2.35	2.32	—

Unsubsidized Management Expense Ratio (%) ⁽²⁾

For the years ended December 31	2023	2022	2021	2020	2019
PS1 75/75 guarantee policy	2.42	2.42	2.43	2.45	2.37
PS1 75/100 guarantee policy	2.70	2.70	2.71	2.73	2.64
PPS 75/75 guarantee policy	1.32	1.31	1.32	1.34	1.29
PPS 75/100 guarantee policy	1.59	1.59	1.59	1.62	—

Portfolio Turnover Rate (%) ⁽³⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	9.96	11.19	7.18	17.37	9.34

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The Company has waived a portion of the fees for the Preferred Series 1 and Preferred Partner Series guarantee policies. There is no obligation for the Company to continue waiving these fees and it may cease to do so at any time without notice.

(3) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
PATHWAYS U.S. EQUITY FUND (PUTNAM) SF545

December 31, 2023

Independent Auditor's Report

To the Contractholders of Pathways U.S. Equity Fund (Putnam) SF545 (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

Pathways U.S. Equity Fund (Putnam) SF545

(in Canadian \$ thousands)

Fund Manager: Canada Life Investment Management Ltd.

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ 160	\$ —
Investment income due and accrued	—	—
Due from The Canada Life Assurance Company (note 8)	206	—
Due from brokers	—	461
Due from outside parties	—	—
Investments		
Investment fund units (note 3)	24,420	20,283
Total investments	24,420	20,283
Total assets	\$ 24,786	\$ 20,744
Liabilities		
Overdrafts	\$ —	\$ 702
Due to The Canada Life Assurance Company (note 8)	—	220
Due to brokers	68	—
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	68	922
Net assets attributable to contractholders	\$ 24,718	\$ 19,822

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 2,861	\$ 780
Miscellaneous income (loss)	—	—
Total income (loss)	2,861	780
Expenses		
Management fees (note 8)	480	426
Other	47	41
Total expenses	527	467
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 2,334	\$ 313

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year		
	\$ 19,822	\$ 16,735
Contractholder deposits	5,362	4,279
Contractholder withdrawals	(2,800)	(1,505)
Increase (decrease) in net assets from operations attributable to contractholders	2,334	313
Change in net assets attributable to contractholders	4,896	3,087
Net assets attributable to contractholders - end of year	\$ 24,718	\$ 19,822

Pathways U.S. Equity Fund (Putnam) SF545

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 2,334	\$ 313
Adjustments		
Realized (gains) losses	(408)	(75)
Unrealized (gains) losses	(1,941)	(313)
Gross proceeds of disposition of investments	22,569	3,527
Gross payments for the purchase of investments	(23,845)	(6,546)
Distribution income of underlying mutual fund	(512)	(392)
Change in due from/to The Canada Life Assurance Company	(426)	217
Change in due from/to brokers	529	(468)
	<u>(1,700)</u>	<u>(3,737)</u>
Financing Activities		
Contractholder deposits	5,362	4,279
Contractholder withdrawals	(2,800)	(1,505)
	<u>2,562</u>	<u>2,774</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	862	(963)
Cash, short-term deposits and overdrafts, beginning of year	(702)	261
Cash, short-term deposits and overdrafts, end of year	\$ 160	\$ (702)

Pathways U.S. Equity Fund (Putnam) SF545

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units)

As at December 31, 2023

	<u>No. of Units</u>	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units			
Canada Life U.S. Value Fund Series S *	2,262,910	21,175	24,420
Total Investments		21,175	24,420

Top 25 Holdings

Security Description	% of Total
Microsoft Corp.	3.58%
Exxon Mobil Corp.	3.15%
PulteGroup Inc.	2.95%
Bank of America Corp.	2.64%
Walmart Inc.	2.51%
Regeneron Pharmaceuticals Inc.	2.34%
Oracle Corp.	2.32%
Qualcomm Inc.	2.28%
Citigroup Inc.	2.18%
McKesson Corp.	2.17%
The Goldman Sachs Group Inc.	2.15%
United Rentals Inc.	2.00%
NRG Energy Inc.	1.93%
The Charles Schwab Corp.	1.90%
FedEx Corp.	1.89%
Freeport-McMoRan Copper & Gold Inc.	1.81%
Merck & Co. Inc.	1.81%
Thermo Fisher Scientific Inc.	1.80%
General Motors Co.	1.72%
ConocoPhillips	1.69%
PNC Financial Services Group Inc.	1.67%
Cash and short-term deposits	1.66%
The Cigna Group	1.64%
The Procter & Gamble Co.	1.62%
Shell PLC Class A	1.55%

*The issuer of this security is a related company to the issuer of the Fund.

Pathways U.S. Equity Fund (Putnam) SF545

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Net Assets Attributable to Contractholders by Category

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
75/75 guarantee policy	297,075	298,601	227,197	105,756	8,155	4,462	4,043	3,034	1,154	88
75/100 guarantee policy	393,306	387,621	335,533	159,797	44,258	5,826	5,191	4,444	1,734	473
PS1 75/75 guarantee policy	327,822	197,002	171,406	24,706	4,336	4,968	2,685	2,299	270	47
PS1 75/100 guarantee policy	260,858	281,692	266,805	40,333	35,864	3,902	3,800	3,552	439	384
PS2 75/75 guarantee policy	9,814	1,781	5,502	8,630	6,843	167	27	79	98	74
PS2 75/100 guarantee policy	85,545	79,188	46,709	11,469	918	1,456	1,182	669	130	10
PS 75/75 guarantee policy	4,674	5,539	6,487	97	—	74	78	89	1	—
PS 75/100 guarantee policy	21,084	21,798	25,344	1,070	685	328	303	345	12	7
PPS 75/75 guarantee policy	7,870	7,676	6,361	8,014	3,442	126	109	88	89	37
PPS 75/100 guarantee policy	19,020	20,631	11,967	—	—	297	287	163	—	—
75/75 Constellation	122,909	87,352	84,432	28,917	—	1,770	1,123	1,060	294	—
75/100 Constellation	86,523	71,260	65,804	35,063	—	1,227	906	820	355	—
100/100 Constellation	8,207	6,969	7,524	2,480	—	115	88	93	25	—

Net Assets Attributable to Contractholders Per Unit (note 7)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
75/75 guarantee policy	15.02	13.54	13.35	10.91	10.72	1.48	0.19
75/100 guarantee policy	14.81	13.39	13.24	10.85	10.69	1.42	0.15
PS1 75/75 guarantee policy	15.16	13.63	13.41	10.94	10.72	1.53	0.22
PS1 75/100 guarantee policy	14.96	13.49	13.31	10.88	10.70	1.47	0.18
PS2 75/75 guarantee policy	17.02	14.93	14.32	11.37	10.87	2.09	0.61
PS2 75/100 guarantee policy	17.02	14.93	14.32	11.37	10.87	2.09	0.61
PS 75/75 guarantee policy	15.77	14.06	13.72	11.09	—	1.71	0.34
PS 75/100 guarantee policy	15.57	13.92	13.62	11.04	10.75	1.65	0.30
PPS 75/75 guarantee policy	15.93	14.18	13.80	11.12	10.78	1.75	0.38
PPS 75/100 guarantee policy	15.62	13.94	13.60	—	—	1.68	0.34
75/75 Constellation	14.40	12.85	12.56	10.16	—	1.55	0.29
75/100 Constellation	14.18	12.71	12.46	10.12	—	1.47	0.25
100/100 Constellation	14.02	12.60	12.39	10.09	—	1.42	0.21

Pathways U.S. Equity Fund (Putnam) SF545

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Pathways U.S. Equity Fund (Putnam) SF545 (the Fund) is offered by The Canada Life Assurance Company (Canada Life or the Company).

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

Pathways U.S. Equity Fund (Putnam) SF545

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

Pathways U.S. Equity Fund (Putnam) SF545

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in note 9 on Financial Instrument Risk Management.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

Pathways U.S. Equity Fund (Putnam) SF545

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Investment Fund Units

Investment fund units are recorded at fair value, which is the closing net asset value (NAV) per unit of the underlying fund.

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Pathways U.S. Equity Fund (Putnam) SF545

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

Pathways U.S. Equity Fund (Putnam) SF545

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

k) Income Allocation

Net gain (loss) on investments, which includes realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the NAV per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

3. INVESTMENT FUND UNITS

Investment fund units of the Fund invest solely in underlying mutual funds.

As the Fund's assets are invested in underlying investment funds, the Fund indirectly pays management fees and operating expenses of the underlying funds. All such charges are included in the management expense ratio of the segregated funds.

Distributions of income from the underlying investment funds are shown as net gain (loss) on investments on the Statement of Comprehensive Income.

Investment activity of the underlying fund indirectly exposes the Fund to financial risk. See note 9 on Financial Instrument Risk Management.

Investments in unconsolidated structured entities

The Company has determined that the Fund meets the definition of an investment entity and as such, accounts for its holdings in unlisted open-ended investment funds at FVTPL. The Company has concluded that the underlying funds in which the Fund invests, but do not consolidate, meet the definition of structured entities because: (i) the voting rights in the underlying funds are not dominant rights in deciding who controls them; (ii) each underlying fund's activities are restricted by its prospectus; and (iii) the underlying funds have narrow and well-defined objectives to provide investment opportunities to investors.

Pathways U.S. Equity Fund (Putnam) SF545

Notes to the Financial Statements

(in Canadian \$ thousands)

4. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Emperor,
- Flex,
- Generations/Mosaic,
- Generations I,
- Generations II,
- Generations Core,
- Prestige/Prestige Plus, and
- Private Collections.

In addition to the Individual units, units are available for:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S1C 75/75 Constellation IC Wealth,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S2C 75/75 Constellation IC Wealth,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy,
- Option S3HF PPS 100/100 guarantee policy, and
- Option S3C 75/75 Constellation IC Wealth.

The categories of units, and the various levels within each, are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

Pathways U.S. Equity Fund (Putnam) SF545

Notes to the Financial Statements

(in Canadian \$ thousands)

5. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

6. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

7. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

The NAV per unit for group contractholders has not been shown because it will vary for each sub-class within the group contractholder class based on negotiated expense levels and other factors.

Pathways U.S. Equity Fund (Putnam) SF545

Notes to the Financial Statements

(in Canadian \$ thousands)

8. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.
- c) The Fund invests in assets or underlying funds managed by Canada Life Investment Management Ltd. All investment transactions with the corresponding underlying funds are at quoted market prices.

Pathways U.S. Equity Fund (Putnam) SF545

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT

a) Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023. The following sections describe the significant risks that are relevant to the Fund.

To assist with managing risk, the Fund Manager maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and securities regulations. Financial statements for the underlying funds, which include discussions about their respective risk exposure, are available upon request.

b) Liquidity Risk

Liquidity risk arises when a Fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units. As the Fund primarily invests all of its net assets in the underlying funds, liquidity risk is mitigated by the underlying funds' ability to meet the obligation to fund daily cash redemptions of their redeemable units/shares. In addition, the underlying funds retain sufficient cash and cash equivalent positions to maintain adequate liquidity.

c) Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The Fund's investments in all underlying funds are denominated in Canadian dollars. However, the Fund is indirectly exposed to currency risk to the extent that the investments of the underlying funds are denominated or traded in a foreign currency.

d) Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund does not directly hold any interest-bearing financial instruments. The Fund is indirectly exposed to the risk that the value of interest-bearing financial instruments held by the underlying funds will fluctuate due to changes in the prevailing levels of market interest rates.

e) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund has no direct exposure to credit risk. The greatest indirect concentration of credit risk is in debt securities, such as bonds, held by underlying funds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer.

f) Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. For the instruments held by the Fund, maximum risk of loss is equivalent to their fair value. The Fund Manager moderates this risk through a careful selection of underlying funds within the parameters of the investment strategy.

g) Fair Value Classification

Investment Fund Units are recorded at fair value, which is the closing NAV per unit of the underlying fund. This valuation is considered to be a Level 1 classification.

Pathways U.S. Equity Fund (Putnam) SF545

Supplemental Information (unaudited)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾

For the years ended December 31	2023	2022	2021	2020	2019
75/75 guarantee policy	2.78	2.79	2.83	2.83	2.79
75/100 guarantee policy	3.06	3.06	3.11	3.09	3.06
PS1 75/75 guarantee policy	2.56	2.56	2.62	2.57	2.56
PS1 75/100 guarantee policy	2.83	2.84	2.90	2.85	2.84
PS 75/75 guarantee policy	1.69	1.70	1.73	1.72	—
PS 75/100 guarantee policy	1.96	1.97	2.01	2.00	1.97
PPS 75/75 guarantee policy	1.46	1.47	1.50	1.46	1.46
PPS 75/100 guarantee policy	1.74	1.74	1.78	—	—
75/75 Constellation	1.81	1.82	1.84	1.81	—
75/100 Constellation	2.19	2.20	2.23	2.20	—
100/100 Constellation	2.46	2.47	2.51	2.49	—

Unsubsidized Management Expense Ratio (%) ⁽²⁾

For the years ended December 31	2023	2022	2021	2020	2019
PS1 75/75 guarantee policy	2.56	2.56	2.62	2.59	2.56
PS1 75/100 guarantee policy	2.83	2.84	2.90	2.87	2.84
PPS 75/75 guarantee policy	1.46	1.47	1.50	1.48	1.46

Portfolio Turnover Rate (%) ⁽³⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	103.57	16.46	97.27	13.97	5.11

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The Company has waived a portion of the fees for the Preferred Series 1 and Preferred Partner Series guarantee policies. There is no obligation for the Company to continue waiving these fees and it may cease to do so at any time without notice.

(3) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY

PATHWAYS U.S. CONCENTRATED EQUITY FUND (ARISTOTLE) SF546

December 31, 2023

Independent Auditor's Report

To the Contractholders of Pathways U.S. Concentrated Equity Fund (Aristotle) SF546 (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

Pathways U.S. Concentrated Equity Fund (Aristotle) SF546

(in Canadian \$ thousands)

Fund Manager: Canada Life Investment Management Ltd.

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ 31	\$ 25
Investment income due and accrued	—	—
Due from The Canada Life Assurance Company (note 8)	6	—
Due from brokers	—	—
Due from outside parties	—	—
Investments		
Investment fund units (note 3)	48,181	40,361
Total investments	48,181	40,361
Total assets	\$ 48,218	\$ 40,386
Liabilities		
Overdrafts	\$ —	\$ —
Due to The Canada Life Assurance Company (note 8)	—	9
Due to brokers	22	25
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	22	34
Net assets attributable to contractholders	\$ 48,196	\$ 40,352

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 7,091	\$ (3,741)
Miscellaneous income (loss)	—	—
Total income (loss)	7,091	(3,741)
Expenses		
Management fees (note 8)	951	890
Other	103	97
Total expenses	1,054	987
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 6,037	\$ (4,728)

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year		
	\$ 40,352	\$ 44,103
Contractholder deposits	8,008	4,630
Contractholder withdrawals	(6,201)	(3,653)
Increase (decrease) in net assets from operations attributable to contractholders	6,037	(4,728)
Change in net assets attributable to contractholders	7,844	(3,751)
Net assets attributable to contractholders - end of year	\$ 48,196	\$ 40,352

Pathways U.S. Concentrated Equity Fund (Aristotle) SF546

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 6,037	\$ (4,728)
Adjustments		
Realized (gains) losses	(575)	(581)
Unrealized (gains) losses	(5,814)	5,130
Gross proceeds of disposition of investments	5,692	7,287
Gross payments for the purchase of investments	(6,421)	(7,393)
Distribution income of underlying mutual fund	(702)	(808)
Change in due from/to The Canada Life Assurance Company	(15)	21
Change in due from/to brokers	(3)	(56)
	<u>(1,801)</u>	<u>(1,128)</u>
Financing Activities		
Contractholder deposits	8,008	4,630
Contractholder withdrawals	(6,201)	(3,653)
	<u>1,807</u>	<u>977</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	6	(151)
Cash, short-term deposits and overdrafts, beginning of year	25	176
Cash, short-term deposits and overdrafts, end of year	\$ 31	\$ 25

Pathways U.S. Concentrated Equity Fund (Aristotle) SF546

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units)

As at December 31, 2023

	<u>No. of Units</u>	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units			
Canada Life U.S. Concentrated Equity Fund Series S *	3,084,356	39,930	48,181
Total Investments		39,930	48,181

Top 25 Holdings

Security Description	% of Total
Microsoft Corp.	4.36%
Adobe Inc.	3.56%
Parker Hannifin Corp.	3.55%
Lennar Corp. Class A	3.47%
Martin Marietta Materials Inc.	3.19%
ANSYS Inc.	3.02%
Microchip Technology Inc.	2.96%
Ameriprise Financial Inc.	2.94%
Corteva Inc.	2.74%
Capital One Financial Corp.	2.64%
Amgen Inc.	2.57%
The Blackstone Group Inc.	2.56%
Autodesk Inc.	2.46%
Qualcomm Inc.	2.45%
U.S. Bancorp	2.39%
Cash and short-term deposits	2.36%
Sony Group Corp. ADR	2.34%
Merck & Co. Inc.	2.32%
Atmos Energy Corp.	2.31%
Danaher Corp.	2.31%
RPM International Inc.	2.29%
Honeywell International Inc.	2.27%
Xylem Inc.	2.27%
Ecolab Inc.	2.17%
Teledyne Technologies Inc.	2.16%

*The issuer of this security is a related company to the issuer of the Fund.

Pathways U.S. Concentrated Equity Fund (Aristotle) SF546

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Net Assets Attributable to Contractholders by Category

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
75/75 guarantee policy	688,130	667,066	574,108	349,395	59,244	10,001	8,488	8,207	4,126	644
75/100 guarantee policy	489,416	518,051	601,265	265,865	81,483	7,015	6,519	8,524	3,122	883
PS1 75/75 guarantee policy	902,593	728,660	636,731	297,792	107,771	13,247	9,342	9,150	3,528	1,171
PS1 75/100 guarantee policy	496,738	471,627	685,100	129,806	79,098	7,197	5,986	9,773	1,530	858
PS2 75/75 guarantee policy	85,823	84,472	86,670	23,106	109	1,416	1,186	1,329	284	1
PS2 75/100 guarantee policy	64,805	129,100	68,632	18,053	13,269	1,069	1,813	1,052	222	146
PS 75/75 guarantee policy	22,626	26,009	15,646	20,026	7,438	345	344	230	240	82
PS 75/100 guarantee policy	74,655	89,351	41,068	17,900	8,260	1,124	1,170	599	215	90
PPS 75/75 guarantee policy	36,842	30,809	23,594	38,638	4,684	569	411	349	465	51
PPS 75/100 guarantee policy	140,846	167,666	122,133	38,227	—	2,146	2,213	1,792	458	—
75/75 Constellation	142,013	112,573	99,314	30,006	—	1,951	1,341	1,316	325	—
75/100 Constellation	153,572	128,027	129,522	49,219	—	2,078	1,507	1,703	531	—
100/100 Constellation	2,810	2,711	6,046	709	—	38	32	79	9	—

Net Assets Attributable to Contractholders Per Unit (note 7)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
75/75 guarantee policy	14.53	12.72	14.30	11.81	10.86	1.81	(1.58)
75/100 guarantee policy	14.33	12.58	14.18	11.74	10.84	1.75	(1.60)
PS1 75/75 guarantee policy	14.68	12.82	14.37	11.84	10.87	1.86	(1.55)
PS1 75/100 guarantee policy	14.49	12.69	14.26	11.79	10.85	1.80	(1.57)
PS2 75/75 guarantee policy	16.50	14.04	15.33	12.31	11.01	2.46	(1.29)
PS2 75/100 guarantee policy	16.50	14.04	15.34	12.31	11.01	2.46	(1.30)
PS 75/75 guarantee policy	15.27	13.22	14.69	12.00	10.92	2.05	(1.47)
PS 75/100 guarantee policy	15.08	13.09	14.58	11.95	10.90	1.99	(1.49)
PPS 75/75 guarantee policy	15.43	13.33	14.78	12.05	10.93	2.10	(1.45)
PPS 75/100 guarantee policy	15.24	13.20	14.67	11.99	—	2.04	(1.47)
75/75 Constellation	13.74	11.91	13.25	10.84	—	1.83	(1.34)
75/100 Constellation	13.53	11.77	13.15	10.80	—	1.76	(1.38)
100/100 Constellation	13.38	11.68	13.08	10.77	—	1.70	(1.40)

Pathways U.S. Concentrated Equity Fund (Aristotle) SF546

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Pathways U.S. Concentrated Equity Fund (Aristotle) SF546 (the Fund) is offered by The Canada Life Assurance Company (Canada Life or the Company).

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

Pathways U.S. Concentrated Equity Fund (Aristotle) SF546

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

Pathways U.S. Concentrated Equity Fund (Aristotle) SF546

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in note 9 on Financial Instrument Risk Management.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

Pathways U.S. Concentrated Equity Fund (Aristotle) SF546

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Investment Fund Units

Investment fund units are recorded at fair value, which is the closing net asset value (NAV) per unit of the underlying fund.

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Pathways U.S. Concentrated Equity Fund (Aristotle) SF546

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

Pathways U.S. Concentrated Equity Fund (Aristotle) SF546

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

k) Income Allocation

Net gain (loss) on investments, which includes realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the NAV per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

3. INVESTMENT FUND UNITS

Investment fund units of the Fund invest solely in underlying mutual funds.

As the Fund's assets are invested in underlying investment funds, the Fund indirectly pays management fees and operating expenses of the underlying funds. All such charges are included in the management expense ratio of the segregated funds.

Distributions of income from the underlying investment funds are shown as net gain (loss) on investments on the Statement of Comprehensive Income.

Investment activity of the underlying fund indirectly exposes the Fund to financial risk. See note 9 on Financial Instrument Risk Management.

Investments in unconsolidated structured entities

The Company has determined that the Fund meets the definition of an investment entity and as such, accounts for its holdings in unlisted open-ended investment funds at FVTPL. The Company has concluded that the underlying funds in which the Fund invests, but do not consolidate, meet the definition of structured entities because: (i) the voting rights in the underlying funds are not dominant rights in deciding who controls them; (ii) each underlying fund's activities are restricted by its prospectus; and (iii) the underlying funds have narrow and well-defined objectives to provide investment opportunities to investors.

Pathways U.S. Concentrated Equity Fund (Aristotle) SF546

Notes to the Financial Statements

(in Canadian \$ thousands)

4. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Emperor,
- Flex,
- Generations/Mosaic,
- Generations I,
- Generations II,
- Generations Core,
- Prestige/Prestige Plus, and
- Private Collections.

In addition to the Individual units, units are available for:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S1C 75/75 Constellation IC Wealth,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S2C 75/75 Constellation IC Wealth,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy,
- Option S3HF PPS 100/100 guarantee policy, and
- Option S3C 75/75 Constellation IC Wealth.

The categories of units, and the various levels within each, are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

Pathways U.S. Concentrated Equity Fund (Aristotle) SF546

Notes to the Financial Statements

(in Canadian \$ thousands)

5. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

6. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

7. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

The NAV per unit for group contractholders has not been shown because it will vary for each sub-class within the group contractholder class based on negotiated expense levels and other factors.

Pathways U.S. Concentrated Equity Fund (Aristotle) SF546

Notes to the Financial Statements

(in Canadian \$ thousands)

8. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.
- c) The Fund invests in assets or underlying funds managed by Canada Life Investment Management Ltd. All investment transactions with the corresponding underlying funds are at quoted market prices.

Pathways U.S. Concentrated Equity Fund (Aristotle) SF546

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT

a) Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023. The following sections describe the significant risks that are relevant to the Fund.

To assist with managing risk, the Fund Manager maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and securities regulations. Financial statements for the underlying funds, which include discussions about their respective risk exposure, are available upon request.

b) Liquidity Risk

Liquidity risk arises when a Fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units. As the Fund primarily invests all of its net assets in the underlying funds, liquidity risk is mitigated by the underlying funds' ability to meet the obligation to fund daily cash redemptions of their redeemable units/shares. In addition, the underlying funds retain sufficient cash and cash equivalent positions to maintain adequate liquidity.

c) Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The Fund's investments in all underlying funds are denominated in Canadian dollars. However, the Fund is indirectly exposed to currency risk to the extent that the investments of the underlying funds are denominated or traded in a foreign currency.

d) Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund does not directly hold any interest-bearing financial instruments. The Fund is indirectly exposed to the risk that the value of interest-bearing financial instruments held by the underlying funds will fluctuate due to changes in the prevailing levels of market interest rates.

e) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund has no direct exposure to credit risk. The greatest indirect concentration of credit risk is in debt securities, such as bonds, held by underlying funds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer.

f) Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. For the instruments held by the Fund, maximum risk of loss is equivalent to their fair value. The Fund Manager moderates this risk through a careful selection of underlying funds within the parameters of the investment strategy.

g) Fair Value Classification

Investment Fund Units are recorded at fair value, which is the closing NAV per unit of the underlying fund. This valuation is considered to be a Level 1 classification.

Pathways U.S. Concentrated Equity Fund (Aristotle) SF546

Supplemental Information (unaudited)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾

For the years ended December 31	2023	2022	2021	2020	2019
75/75 guarantee policy	2.82	2.82	2.85	2.84	2.78
75/100 guarantee policy	3.10	3.11	3.14	3.12	3.05
PS1 75/75 guarantee policy	2.59	2.59	2.61	2.55	2.54
PS1 75/100 guarantee policy	2.87	2.88	2.91	2.86	2.82
PS 75/75 guarantee policy	1.72	1.71	1.74	1.73	1.69
PS 75/100 guarantee policy	1.99	1.98	2.01	2.01	1.96
PPS 75/75 guarantee policy	1.49	1.49	1.51	1.44	1.47
PPS 75/100 guarantee policy	1.76	1.76	1.77	1.76	—
75/75 Constellation	1.83	1.84	1.85	1.83	—
75/100 Constellation	2.22	2.23	2.24	2.21	—
100/100 Constellation	2.50	2.53	2.54	2.49	—

Unsubsidized Management Expense Ratio (%) ⁽²⁾

For the years ended December 31	2023	2022	2021	2020	2019
PS1 75/75 guarantee policy	2.59	2.59	2.61	2.58	2.54
PS1 75/100 guarantee policy	2.87	2.88	2.91	2.89	2.82
PPS 75/75 guarantee policy	1.49	1.49	1.51	1.47	1.47
PPS 75/100 guarantee policy	1.76	1.76	1.77	1.79	—

Portfolio Turnover Rate (%) ⁽³⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	13.12	17.78	6.67	6.48	1.16

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The Company has waived a portion of the fees for the Preferred Series 1 and Preferred Partner Series guarantee policies. There is no obligation for the Company to continue waiving these fees and it may cease to do so at any time without notice.

(3) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
PATHWAYS INTERNATIONAL EQUITY FUND (SETANTA) SF547

December 31, 2023

Independent Auditor's Report

To the Contractholders of Pathways International Equity Fund (Setanta) SF547 (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

Pathways International Equity Fund (Setanta) SF547

(in Canadian \$ thousands)

Fund Manager: Canada Life Investment Management Ltd.

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ —	\$ —
Investment income due and accrued	—	—
Due from The Canada Life Assurance Company (note 8)	4	—
Due from brokers	—	75
Due from outside parties	—	—
Investments		
Investment fund units (note 3)	108,301	98,758
Total investments	108,301	98,758
Total assets	\$ 108,305	\$ 98,833
Liabilities		
Overdrafts	\$ 3	\$ 459
Due to The Canada Life Assurance Company (note 8)	—	13
Due to brokers	—	—
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	3	472
Net assets attributable to contractholders	\$ 108,302	\$ 98,361

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 14,274	\$ (8,332)
Miscellaneous income (loss)	—	—
Total income (loss)	14,274	(8,332)
Expenses		
Management fees (note 8)	233	163
Other	27	18
Total expenses	260	181
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 14,014	\$ (8,513)

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year	\$ 98,361	\$ 95,154
Contractholder deposits	8,147	16,452
Contractholder withdrawals	(12,220)	(4,732)
Increase (decrease) in net assets from operations attributable to contractholders	14,014	(8,513)
Change in net assets attributable to contractholders	9,941	3,207
Net assets attributable to contractholders - end of year	\$ 108,302	\$ 98,361

Pathways International Equity Fund (Setanta) SF547

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 14,014	\$ (8,513)
Adjustments		
Realized (gains) losses	(138)	135
Unrealized (gains) losses	(10,575)	10,987
Gross proceeds of disposition of investments	11,569	3,121
Gross payments for the purchase of investments	(6,838)	(15,199)
Distribution income of underlying mutual fund	(3,561)	(2,790)
Change in due from/to The Canada Life Assurance Company	(17)	151
Change in due from/to brokers	75	16
	<u>4,529</u>	<u>(12,092)</u>
Financing Activities		
Contractholder deposits	8,147	16,452
Contractholder withdrawals	(12,220)	(4,732)
	<u>(4,073)</u>	<u>11,720</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	456	(372)
Cash, short-term deposits and overdrafts, beginning of year	(459)	(87)
Cash, short-term deposits and overdrafts, end of year	\$ (3)	\$ (459)

Pathways International Equity Fund (Setanta) SF547

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units)

As at December 31, 2023

	<u>No. of Units</u>	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units			
Canada Life International Value Fund Series S *	10,399,127	102,686	108,301
Total Investments		102,686	108,301

Top 25 Holdings

Security Description	% of Total
DCC PLC	6.18%
Samsung Electronics Co. Ltd.	5.37%
Ryanair Holdings PLC ADR	5.23%
Alcon Inc.	4.83%
EssilorLuxottica SA	4.65%
Ferguson PLC	3.98%
Deutsche Boerse AG	3.85%
Novartis AG	3.63%
CRH PLC	3.62%
Sanofi SA	3.61%
Adidas AG	3.59%
Alfresa Holdings Corp.	3.47%
Bank of Ireland Group PLC	3.21%
Diageo PLC	3.17%
Thai Beverage PCL	3.11%
Unilever PLC	3.06%
GSK PLC	2.87%
GEA Group AG	2.83%
Cash and short-term deposits	2.81%
Tencent Holdings Ltd.	2.65%
Taiwan Semiconductor Manufacturing Co. Ltd. ADR	2.61%
Sonova Holding AG	2.37%
Telefonaktiebolaget LM Ericsson	2.15%
The Swatch Group AG	2.12%
Groupe Bruxelles Lambert SA *	1.96%

*The issuer of this security is a related company to the issuer of the Fund.

Pathways International Equity Fund (Setanta) SF547

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance. Portfolio units are allocated to each category as described in note 4 and are not included on this page.

Net Assets Attributable to Contractholders by Category

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
75/75 guarantee policy	115,960	75,000	54,215	30,524	5,838	1,202	697	570	300	61
75/100 guarantee policy	119,165	116,626	100,706	86,114	35,545	1,219	1,072	1,051	841	368
PS1 75/75 guarantee policy	122,199	67,062	52,785	15,453	4,612	1,282	628	559	152	48
PS1 75/100 guarantee policy	84,443	84,054	90,832	54,885	45,677	875	780	955	538	473
PS2 75/75 guarantee policy	3,257	1,032	1,492	168	—	38	11	17	2	—
PS2 75/100 guarantee policy	1,081	2,206	2,269	—	3,222	13	23	26	—	34
PS 75/75 guarantee policy	1,784	1,475	298	—	578	19	14	3	—	6
PS 75/100 guarantee policy	29,125	28,078	14,783	24,057	7,083	313	268	159	239	74
PPS 75/75 guarantee policy	22,257	10,695	10,810	10,924	—	245	104	118	109	—
PPS 75/100 guarantee policy	16,365	—	—	—	—	178	—	—	—	—
75/75 Constellation	366,732	263,513	190,997	64,131	—	3,796	2,420	1,967	610	—
75/100 Constellation	282,902	247,516	193,613	74,831	—	2,884	2,247	1,979	709	—
100/100 Constellation	26,486	23,864	22,088	6,427	—	266	215	224	61	—

Net Assets Attributable to Contractholders Per Unit (note 7)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
75/75 guarantee policy	10.37	9.29	10.52	9.82	10.38	1.08	(1.23)
75/100 guarantee policy	10.23	9.19	10.44	9.76	10.35	1.04	(1.25)
PS1 75/75 guarantee policy	10.49	9.37	10.58	9.85	10.38	1.12	(1.21)
PS1 75/100 guarantee policy	10.36	9.28	10.51	9.81	10.37	1.08	(1.23)
PS2 75/75 guarantee policy	11.78	10.25	11.29	10.23	—	1.53	(1.04)
PS2 75/100 guarantee policy	11.74	10.22	11.25	—	10.53	1.52	(1.03)
PS 75/75 guarantee policy	10.86	9.62	10.78	—	10.43	1.24	(1.16)
PS 75/100 guarantee policy	10.75	9.55	10.73	9.93	10.41	1.20	(1.18)
PPS 75/75 guarantee policy	11.03	9.74	10.88	10.01	—	1.29	(1.14)
PPS 75/100 guarantee policy	10.85	—	—	—	—	1.24	—
75/75 Constellation	10.35	9.18	10.30	9.52	—	1.17	(1.12)
75/100 Constellation	10.19	9.08	10.22	9.48	—	1.11	(1.14)
100/100 Constellation	10.06	8.99	10.16	9.45	—	1.07	(1.17)

Pathways International Equity Fund (Setanta) SF547

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Pathways International Equity Fund (Setanta) SF547 (the Fund) is offered by The Canada Life Assurance Company (Canada Life or the Company).

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

Pathways International Equity Fund (Setanta) SF547

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

Pathways International Equity Fund (Setanta) SF547

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in note 9 on Financial Instrument Risk Management.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

Pathways International Equity Fund (Setanta) SF547

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Investment Fund Units

Investment fund units are recorded at fair value, which is the closing net asset value (NAV) per unit of the underlying fund.

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Pathways International Equity Fund (Setanta) SF547

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

Pathways International Equity Fund (Setanta) SF547

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

k) Income Allocation

Net gain (loss) on investments, which includes realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the NAV per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

3. INVESTMENT FUND UNITS

Investment fund units of the Fund invest solely in underlying mutual funds.

As the Fund's assets are invested in underlying investment funds, the Fund indirectly pays management fees and operating expenses of the underlying funds. All such charges are included in the management expense ratio of the segregated funds.

Distributions of income from the underlying investment funds are shown as net gain (loss) on investments on the Statement of Comprehensive Income.

Investment activity of the underlying fund indirectly exposes the Fund to financial risk. See note 9 on Financial Instrument Risk Management.

Investments in unconsolidated structured entities

The Company has determined that the Fund meets the definition of an investment entity and as such, accounts for its holdings in unlisted open-ended investment funds at FVTPL. The Company has concluded that the underlying funds in which the Fund invests, but do not consolidate, meet the definition of structured entities because: (i) the voting rights in the underlying funds are not dominant rights in deciding who controls them; (ii) each underlying fund's activities are restricted by its prospectus; and (iii) the underlying funds have narrow and well-defined objectives to provide investment opportunities to investors.

Pathways International Equity Fund (Setanta) SF547

Notes to the Financial Statements

(in Canadian \$ thousands)

4. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Emperor,
- Flex,
- Generations/Mosaic,
- Generations I,
- Generations II,
- Generations Core,
- Prestige/Prestige Plus, and
- Private Collections.

In addition to the Individual units, units are available for:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S1C 75/75 Constellation IC Wealth,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S2C 75/75 Constellation IC Wealth,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy,
- Option S3HF PPS 100/100 guarantee policy, and
- Option S3C 75/75 Constellation IC Wealth.

Portfolio units are those units owned by the Asset Allocation Funds. Each Portfolio fund is represented by a separate category.

The categories of units, and the various levels within each, are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

Pathways International Equity Fund (Setanta) SF547

Notes to the Financial Statements

(in Canadian \$ thousands)

5. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

6. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

7. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

The NAV per unit for group contractholders has not been shown because it will vary for each sub-class within the group contractholder class based on negotiated expense levels and other factors.

Pathways International Equity Fund (Setanta) SF547

Notes to the Financial Statements

(in Canadian \$ thousands)

8. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.
- c) The Fund invests in assets or underlying funds managed by Canada Life Investment Management Ltd. All investment transactions with the corresponding underlying funds are at quoted market prices.

Pathways International Equity Fund (Setanta) SF547

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT

a) Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023. The following sections describe the significant risks that are relevant to the Fund.

To assist with managing risk, the Fund Manager maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and securities regulations. Financial statements for the underlying funds, which include discussions about their respective risk exposure, are available upon request.

b) Liquidity Risk

Liquidity risk arises when a Fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units. As the Fund primarily invests all of its net assets in the underlying funds, liquidity risk is mitigated by the underlying funds' ability to meet the obligation to fund daily cash redemptions of their redeemable units/shares. In addition, the underlying funds retain sufficient cash and cash equivalent positions to maintain adequate liquidity.

c) Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The Fund's investments in all underlying funds are denominated in Canadian dollars. However, the Fund is indirectly exposed to currency risk to the extent that the investments of the underlying funds are denominated or traded in a foreign currency.

d) Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund does not directly hold any interest-bearing financial instruments. The Fund is indirectly exposed to the risk that the value of interest-bearing financial instruments held by the underlying funds will fluctuate due to changes in the prevailing levels of market interest rates.

e) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund has no direct exposure to credit risk. The greatest indirect concentration of credit risk is in debt securities, such as bonds, held by underlying funds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer.

f) Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. For the instruments held by the Fund, maximum risk of loss is equivalent to their fair value. The Fund Manager moderates this risk through a careful selection of underlying funds within the parameters of the investment strategy.

g) Fair Value Classification

Investment Fund Units are recorded at fair value, which is the closing NAV per unit of the underlying fund. This valuation is considered to be a Level 1 classification.

Pathways International Equity Fund (Setanta) SF547

Supplemental Information (unaudited)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾

For the years ended December 31	2023	2022	2021	2020	2019
75/75 guarantee policy	2.88	2.88	2.85	2.80	2.84
75/100 guarantee policy	3.16	3.16	3.14	3.11	3.10
PS1 75/75 guarantee policy	2.60	2.59	2.58	2.51	2.55
PS1 75/100 guarantee policy	2.87	2.88	2.85	2.79	2.81
PS 75/75 guarantee policy	1.77	1.77	1.76	—	1.74
PS 75/100 guarantee policy	2.05	2.04	2.04	2.02	2.00
PPS 75/75 guarantee policy	1.48	1.49	1.47	1.43	—
PPS 75/100 guarantee policy	1.76	—	—	—	—
75/75 Constellation	1.89	1.89	1.87	1.86	—
75/100 Constellation	2.28	2.28	2.25	2.24	—
100/100 Constellation	2.61	2.61	2.58	2.57	—

Unsubsidized Management Expense Ratio (%) ⁽²⁾

For the years ended December 31	2023	2022	2021	2020	2019
PS1 75/75 guarantee policy	2.60	2.59	2.58	2.53	2.55
PS1 75/100 guarantee policy	2.87	2.88	2.85	2.81	2.81
PPS 75/75 guarantee policy	1.48	1.49	1.47	1.45	—

Portfolio Turnover Rate (%) ⁽³⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	6.63	3.38	5.28	5.91	1.66

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The Company has waived a portion of the fees for the Preferred Series 1 and Preferred Partner Series guarantee policies. There is no obligation for the Company to continue waiving these fees and it may cease to do so at any time without notice.

(3) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
PATHWAYS INTERNATIONAL CONCENTRATED EQUITY FUND (C
WORLDWIDE) SF548

December 31, 2023

Independent Auditor's Report

To the Contractholders of Pathways International Concentrated Equity Fund (C WorldWide) SF548 (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

Pathways International Concentrated Equity Fund (C WorldWide) SF548

(in Canadian \$ thousands)

Fund Manager: Canada Life Investment Management Ltd.

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ 252	\$ 113
Investment income due and accrued	—	—
Due from The Canada Life Assurance Company (note 8)	67	—
Due from brokers	—	—
Due from outside parties	—	—
Investments		
Investment fund units (note 3)	78,602	49,083
Total investments	78,602	49,083
Total assets	\$ 78,921	\$ 49,196
Liabilities		
Overdrafts	\$ —	\$ —
Due to The Canada Life Assurance Company (note 8)	—	35
Due to brokers	58	103
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	58	138
Net assets attributable to contractholders	\$ 78,863	\$ 49,058

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 10,312	\$ (2,866)
Miscellaneous income (loss)	—	—
Total income (loss)	10,312	(2,866)
Expenses		
Management fees (note 8)	1,467	940
Other	165	104
Total expenses	1,632	1,044
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 8,680	\$ (3,910)

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year		
	\$ 49,058	\$ 41,849
Contractholder deposits	28,029	14,125
Contractholder withdrawals	(6,904)	(3,006)
Increase (decrease) in net assets from operations attributable to contractholders	8,680	(3,910)
Change in net assets attributable to contractholders	29,805	7,209
Net assets attributable to contractholders - end of year	\$ 78,863	\$ 49,058

Pathways International Concentrated Equity Fund (C WorldWide) SF548

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 8,680	\$ (3,910)
Adjustments		
Realized (gains) losses	(329)	89
Unrealized (gains) losses	(9,211)	3,329
Gross proceeds of disposition of investments	3,573	3,633
Gross payments for the purchase of investments	(22,780)	(13,899)
Distribution income of underlying mutual fund	(772)	(552)
Change in due from/to The Canada Life Assurance Company	(102)	91
Change in due from/to brokers	(45)	(75)
	<u>(20,986)</u>	<u>(11,294)</u>
Financing Activities		
Contractholder deposits	28,029	14,125
Contractholder withdrawals	(6,904)	(3,006)
	<u>21,125</u>	<u>11,119</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	139	(175)
Cash, short-term deposits and overdrafts, beginning of year	113	288
Cash, short-term deposits and overdrafts, end of year	\$ 252	\$ 113

Pathways International Concentrated Equity Fund (C WorldWide) SF548

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units)

As at December 31, 2023

	<u>No. of Units</u>	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units			
Canada Life International Concentrated Equity Fund Series S *	5,320,155	68,144	78,602
Total Investments		68,144	78,602

Top 25 Holdings

Security Description	% of Total
Novo Nordisk AS	6.78%
HDFC Bank Ltd. ADR	5.76%
ASML Holding NV	5.73%
Ferguson PLC	5.44%
Siemens AG	4.44%
Hoya Corp.	3.95%
Linde PLC	3.90%
Nestle SA	3.89%
Sony Group Corp.	3.74%
L'Oreal SA	3.72%
SAP SE	3.68%
AstraZeneca PLC	3.65%
LVMH Moet Hennessy Louis Vuitton SE	3.63%
Taiwan Semiconductor Manufacturing Co. Ltd. ADR	3.22%
Atlas Copco AB Class A	3.08%
Assa Abloy AB	3.07%
Keyence Corp.	3.02%
Daikin Industries Ltd.	3.01%
Deutsche Boerse AG	3.00%
PT Bank Central Asia TBK	2.91%
Samsung Electronics Co. Ltd. GDR	2.87%
SSE PLC	2.80%
AIA Group Ltd.	2.71%
Vinci SA	2.48%
Diageo PLC	2.25%

*The issuer of this security is a related company to the issuer of the Fund.

Pathways International Concentrated Equity Fund (C WorldWide) SF548

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Net Assets Attributable to Contractholders by Category

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
75/75 guarantee policy	748,549	664,747	482,092	207,125	39,669	10,169	7,847	6,391	2,584	419
75/100 guarantee policy	1,271,997	886,283	600,269	440,997	60,596	16,998	10,326	7,880	5,465	638
PS1 75/75 guarantee policy	914,802	603,856	460,608	220,564	132,858	12,579	7,195	6,146	2,761	1,405
PS1 75/100 guarantee policy	1,342,003	750,683	503,059	294,411	47,435	18,175	8,838	6,655	3,666	501
PS2 75/75 guarantee policy	156,120	121,422	167,467	45,494	—	2,420	1,588	2,389	593	—
PS2 75/100 guarantee policy	174,385	103,230	73,779	15,763	4,129	2,703	1,350	1,052	205	44
PS 75/75 guarantee policy	47,429	41,614	17,530	11,152	10,468	677	510	239	141	111
PS 75/100 guarantee policy	56,870	53,927	58,129	15,366	9,317	799	654	785	194	99
PPS 75/75 guarantee policy	146,436	136,651	89,444	6,674	—	2,117	1,693	1,228	85	—
PPS 75/100 guarantee policy	173,820	138,715	117,307	24,043	—	2,476	1,699	1,597	305	—
75/75 Constellation	373,134	322,374	274,961	65,865	—	4,882	3,627	3,438	767	—
75/100 Constellation	370,745	328,112	309,911	110,877	—	4,777	3,650	3,846	1,286	—
100/100 Constellation	7,143	7,386	16,494	1,624	—	91	81	203	19	—

Net Assets Attributable to Contractholders Per Unit (note 7)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
75/75 guarantee policy	13.58	11.80	13.26	12.47	10.57	1.78	(1.46)
75/100 guarantee policy	13.36	11.65	13.13	12.39	10.54	1.71	(1.48)
PS1 75/75 guarantee policy	13.75	11.91	13.34	12.52	10.57	1.84	(1.43)
PS1 75/100 guarantee policy	13.54	11.77	13.23	12.45	10.55	1.77	(1.46)
PS2 75/75 guarantee policy	15.50	13.08	14.26	13.03	—	2.42	(1.18)
PS2 75/100 guarantee policy	15.50	13.08	14.26	13.03	10.72	2.42	(1.18)
PS 75/75 guarantee policy	14.27	12.27	13.62	12.68	10.62	2.00	(1.35)
PS 75/100 guarantee policy	14.06	12.12	13.51	12.61	10.60	1.94	(1.39)
PPS 75/75 guarantee policy	14.46	12.39	13.72	12.73	—	2.07	(1.33)
PPS 75/100 guarantee policy	14.25	12.25	13.61	12.67	—	2.00	(1.36)
75/75 Constellation	13.08	11.25	12.50	11.64	—	1.83	(1.25)
75/100 Constellation	12.88	11.12	12.41	11.60	—	1.76	(1.29)
100/100 Constellation	12.72	11.01	12.33	11.56	—	1.71	(1.32)

Pathways International Concentrated Equity Fund (C WorldWide) SF548

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Pathways International Concentrated Equity Fund (C WorldWide) SF548 (the Fund) is offered by The Canada Life Assurance Company (Canada Life or the Company).

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

Pathways International Concentrated Equity Fund (C WorldWide) SF548

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

Pathways International Concentrated Equity Fund (C WorldWide) SF548

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in note 9 on Financial Instrument Risk Management.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

Pathways International Concentrated Equity Fund (C WorldWide) SF548

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Investment Fund Units

Investment fund units are recorded at fair value, which is the closing net asset value (NAV) per unit of the underlying fund.

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Pathways International Concentrated Equity Fund (C WorldWide) SF548

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

Pathways International Concentrated Equity Fund (C WorldWide) SF548

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

k) Income Allocation

Net gain (loss) on investments, which includes realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the NAV per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

3. INVESTMENT FUND UNITS

Investment fund units of the Fund invest solely in underlying mutual funds.

As the Fund's assets are invested in underlying investment funds, the Fund indirectly pays management fees and operating expenses of the underlying funds. All such charges are included in the management expense ratio of the segregated funds.

Distributions of income from the underlying investment funds are shown as net gain (loss) on investments on the Statement of Comprehensive Income.

Investment activity of the underlying fund indirectly exposes the Fund to financial risk. See note 9 on Financial Instrument Risk Management.

Investments in unconsolidated structured entities

The Company has determined that the Fund meets the definition of an investment entity and as such, accounts for its holdings in unlisted open-ended investment funds at FVTPL. The Company has concluded that the underlying funds in which the Fund invests, but do not consolidate, meet the definition of structured entities because: (i) the voting rights in the underlying funds are not dominant rights in deciding who controls them; (ii) each underlying fund's activities are restricted by its prospectus; and (iii) the underlying funds have narrow and well-defined objectives to provide investment opportunities to investors.

Pathways International Concentrated Equity Fund (C WorldWide) SF548

Notes to the Financial Statements

(in Canadian \$ thousands)

4. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Emperor,
- Flex,
- Generations/Mosaic,
- Generations I,
- Generations II,
- Generations Core,
- Prestige/Prestige Plus, and
- Private Collections.

In addition to the Individual units, units are available for:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S1C 75/75 Constellation IC Wealth,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S2C 75/75 Constellation IC Wealth,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy,
- Option S3HF PPS 100/100 guarantee policy, and
- Option S3C 75/75 Constellation IC Wealth.

The categories of units, and the various levels within each, are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

Pathways International Concentrated Equity Fund (C WorldWide) SF548

Notes to the Financial Statements

(in Canadian \$ thousands)

5. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

6. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

7. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

The NAV per unit for group contractholders has not been shown because it will vary for each sub-class within the group contractholder class based on negotiated expense levels and other factors.

Pathways International Concentrated Equity Fund (C WorldWide) SF548

Notes to the Financial Statements

(in Canadian \$ thousands)

8. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.
- c) The Fund invests in assets or underlying funds managed by Canada Life Investment Management Ltd. All investment transactions with the corresponding underlying funds are at quoted market prices.

Pathways International Concentrated Equity Fund (C WorldWide) SF548

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT

a) Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023. The following sections describe the significant risks that are relevant to the Fund.

To assist with managing risk, the Fund Manager maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and securities regulations. Financial statements for the underlying funds, which include discussions about their respective risk exposure, are available upon request.

b) Liquidity Risk

Liquidity risk arises when a Fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units. As the Fund primarily invests all of its net assets in the underlying funds, liquidity risk is mitigated by the underlying funds' ability to meet the obligation to fund daily cash redemptions of their redeemable units/shares. In addition, the underlying funds retain sufficient cash and cash equivalent positions to maintain adequate liquidity.

c) Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The Fund's investments in all underlying funds are denominated in Canadian dollars. However, the Fund is indirectly exposed to currency risk to the extent that the investments of the underlying funds are denominated or traded in a foreign currency.

d) Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund does not directly hold any interest-bearing financial instruments. The Fund is indirectly exposed to the risk that the value of interest-bearing financial instruments held by the underlying funds will fluctuate due to changes in the prevailing levels of market interest rates.

e) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund has no direct exposure to credit risk. The greatest indirect concentration of credit risk is in debt securities, such as bonds, held by underlying funds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer.

f) Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. For the instruments held by the Fund, maximum risk of loss is equivalent to their fair value. The Fund Manager moderates this risk through a careful selection of underlying funds within the parameters of the investment strategy.

g) Fair Value Classification

Investment Fund Units are recorded at fair value, which is the closing NAV per unit of the underlying fund. This valuation is considered to be a Level 1 classification.

Pathways International Concentrated Equity Fund (C WorldWide) SF548

Supplemental Information (unaudited)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾

For the years ended December 31	2023	2022	2021	2020	2019
75/75 guarantee policy	2.93	2.93	2.94	2.97	2.89
75/100 guarantee policy	3.26	3.26	3.28	3.33	3.23
PS1 75/75 guarantee policy	2.65	2.65	2.65	2.66	2.60
PS1 75/100 guarantee policy	2.98	2.98	2.99	3.02	2.93
PS 75/75 guarantee policy	1.82	1.82	1.83	1.86	1.79
PS 75/100 guarantee policy	2.16	2.17	2.16	2.20	2.13
PPS 75/75 guarantee policy	1.54	1.54	1.55	1.55	—
PPS 75/100 guarantee policy	1.87	1.88	1.87	1.89	—
75/75 Constellation	1.89	1.89	1.89	1.89	—
75/100 Constellation	2.28	2.28	2.28	2.28	—
100/100 Constellation	2.61	2.62	2.63	2.61	—

Unsubsidized Management Expense Ratio (%) ⁽²⁾

For the years ended December 31	2023	2022	2021	2020	2019
PS1 75/75 guarantee policy	2.65	2.65	2.65	2.69	2.60
PS1 75/100 guarantee policy	2.98	2.98	2.99	3.05	2.93
PPS 75/75 guarantee policy	1.54	1.54	1.55	1.58	—
PPS 75/100 guarantee policy	1.87	1.88	1.87	1.92	—

Portfolio Turnover Rate (%) ⁽³⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	5.55	8.48	8.38	14.97	0.87

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The Company has waived a portion of the fees for the Preferred Series 1 and Preferred Partner Series guarantee policies. There is no obligation for the Company to continue waiving these fees and it may cease to do so at any time without notice.

(3) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
PATHWAYS EMERGING MARKETS LARGE CAP EQUITY FUND
(MACKENZIE) SF549

December 31, 2023

Independent Auditor's Report

To the Contractholders of Pathways Emerging Markets Large Cap Equity Fund (Mackenzie) SF549 (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

Pathways Emerging Markets Large Cap Equity Fund (Mackenzie) SF549

(in Canadian \$ thousands)

Fund Manager: Canada Life Investment Management Ltd.

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ —	\$ —
Investment income due and accrued	—	—
Due from The Canada Life Assurance Company (note 8)	22	—
Due from brokers	—	27
Due from outside parties	—	—
Investments		
Investment fund units (note 3)	18,107	17,815
Total investments	18,107	17,815
Total assets	\$ 18,129	\$ 17,842
Liabilities		
Overdrafts	\$ 24	\$ 44
Due to The Canada Life Assurance Company (note 8)	—	7
Due to brokers	9	—
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	33	51
Net assets attributable to contractholders	\$ 18,096	\$ 17,791

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 2,636	\$ (3,302)
Miscellaneous income (loss)	—	—
Total income (loss)	2,636	(3,302)
Expenses		
Management fees (note 8)	454	491
Other	48	50
Total expenses	502	541
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 2,134	\$ (3,843)

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year	\$ 17,791	\$ 23,682
Contractholder deposits	1,011	1,770
Contractholder withdrawals	(2,840)	(3,818)
Increase (decrease) in net assets from operations attributable to contractholders	2,134	(3,843)
Change in net assets attributable to contractholders	305	(5,891)
Net assets attributable to contractholders - end of year	\$ 18,096	\$ 17,791

Pathways Emerging Markets Large Cap Equity Fund (Mackenzie) SF549

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 2,134	\$ (3,843)
Adjustments		
Realized (gains) losses	456	678
Unrealized (gains) losses	(2,566)	3,396
Gross proceeds of disposition of investments	3,700	4,974
Gross payments for the purchase of investments	(1,356)	(2,390)
Distribution income of underlying mutual fund	(526)	(772)
Change in due from/to The Canada Life Assurance Company	(29)	(18)
Change in due from/to brokers	36	(15)
	<u>1,849</u>	<u>2,010</u>
Financing Activities		
Contractholder deposits	1,011	1,770
Contractholder withdrawals	(2,840)	(3,818)
	<u>(1,829)</u>	<u>(2,048)</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	20	(38)
Cash, short-term deposits and overdrafts, beginning of year	<u>(44)</u>	<u>(6)</u>
Cash, short-term deposits and overdrafts, end of year	<u>\$ (24)</u>	<u>\$ (44)</u>

Pathways Emerging Markets Large Cap Equity Fund (Mackenzie) SF549

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units)

As at December 31, 2023

	<u>No. of Units</u>	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units			
Canada Life Emerging Markets Large Cap Equity Fund Series S *	1,506,446	19,359	18,107
Total Investments		19,359	18,107

Top 25 Holdings

Security Description	% of Total
Taiwan Semiconductor Manufacturing Co. Ltd.	6.85%
Tencent Holdings Ltd.	4.87%
Samsung Electronics Co. Ltd.	4.07%
Petroleo Brasileiro SA Preferred	2.53%
Cash and short-term deposits	2.24%
Kia Motors Corp.	2.09%
Grupo Financiero Banorte SAB de CV Series O	2.05%
BYD Co. Ltd.	1.99%
Banco BTG Pactual SA Unit	1.86%
MediaTek Inc.	1.80%
Indian Oil Corp. Ltd.	1.77%
BYD Electronic International Co. Ltd.	1.70%
Novatek Microelectronics Corp.	1.69%
Geely Automobile Holdings Ltd.	1.68%
Hyundai Motor Co.	1.65%
Rec Ltd.	1.65%
Hana Financial Group Inc.	1.64%
Kuaishou Technology Co. Ltd.	1.64%
Alibaba Group Holding Ltd.	1.61%
Gerdau SA Preferred ADR	1.61%
Power Finance Corp.	1.61%
Kanzhun Ltd.	1.60%
Nongfu Spring Co. Ltd.	1.59%
SK Holdings Co. Ltd.	1.56%
Zhengzhou Yutong Bus Co. Ltd. Class A	1.54%

*The issuer of this security is a related company to the issuer of the Fund.

Pathways Emerging Markets Large Cap Equity Fund (Mackenzie) SF549

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Net Assets Attributable to Contractholders by Category

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
75/75 guarantee policy	236,935	261,472	306,505	90,526	4,367	2,889	2,848	4,024	1,178	48
75/100 guarantee policy	310,761	353,044	404,197	86,248	11,145	3,706	3,774	5,226	1,109	121
PS1 75/75 guarantee policy	171,961	239,229	280,042	68,535	3,642	2,120	2,624	3,688	891	39
PS1 75/100 guarantee policy	235,436	248,231	317,759	84,624	29,629	2,859	2,691	4,150	1,095	321
PS2 75/75 guarantee policy	28,634	30,646	33,362	13,233	—	402	372	472	180	—
PS2 75/100 guarantee policy	85,496	94,366	124,405	33,750	19,737	1,199	1,145	1,761	458	218
PS 75/75 guarantee policy	14,004	9,481	11,310	6,588	459	178	107	152	87	5
PS 75/100 guarantee policy	16,694	22,268	44,728	3,684	9	209	247	595	48	—
PPS 75/75 guarantee policy	30,673	27,613	26,424	17,725	—	398	315	358	235	—
PPS 75/100 guarantee policy	4,699	5,597	24,424	1,929	—	60	63	328	25	—
75/75 Constellation	202,510	182,895	115,552	39,911	—	2,248	1,801	1,362	463	—
75/100 Constellation	155,416	172,167	119,695	47,421	—	1,702	1,679	1,401	548	—
100/100 Constellation	11,656	12,899	14,195	4,845	—	126	125	165	57	—

Net Assets Attributable to Contractholders Per Unit (note 7)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
75/75 guarantee policy	12.19	10.89	13.13	13.02	10.92	1.30	(2.24)
75/100 guarantee policy	11.93	10.69	12.93	12.86	10.83	1.24	(2.24)
PS1 75/75 guarantee policy	12.33	10.97	13.17	13.00	10.86	1.36	(2.20)
PS1 75/100 guarantee policy	12.14	10.84	13.06	12.94	10.84	1.30	(2.22)
PS2 75/75 guarantee policy	14.03	12.13	14.16	13.59	—	1.90	(2.03)
PS2 75/100 guarantee policy	14.03	12.13	14.15	13.58	11.03	1.90	(2.02)
PS 75/75 guarantee policy	12.73	11.24	13.40	13.14	10.91	1.49	(2.16)
PS 75/100 guarantee policy	12.54	11.11	13.29	13.08	10.89	1.43	(2.18)
PPS 75/75 guarantee policy	12.97	11.41	13.55	13.23	—	1.56	(2.14)
PPS 75/100 guarantee policy	12.77	11.28	13.43	13.16	—	1.49	(2.15)
75/75 Constellation	11.10	9.85	11.79	11.60	—	1.25	(1.94)
75/100 Constellation	10.96	9.75	11.71	11.56	—	1.21	(1.96)
100/100 Constellation	10.81	9.66	11.63	11.53	—	1.15	(1.97)

Pathways Emerging Markets Large Cap Equity Fund (Mackenzie) SF549

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Pathways Emerging Markets Large Cap Equity Fund (Mackenzie) SF549 (the Fund) is offered by The Canada Life Assurance Company (Canada Life or the Company).

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

Pathways Emerging Markets Large Cap Equity Fund (Mackenzie) SF549

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

Pathways Emerging Markets Large Cap Equity Fund (Mackenzie) SF549

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in note 9 on Financial Instrument Risk Management.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

Pathways Emerging Markets Large Cap Equity Fund (Mackenzie) SF549

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Investment Fund Units

Investment fund units are recorded at fair value, which is the closing net asset value (NAV) per unit of the underlying fund.

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Pathways Emerging Markets Large Cap Equity Fund (Mackenzie) SF549

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

Pathways Emerging Markets Large Cap Equity Fund (Mackenzie) SF549

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

k) Income Allocation

Net gain (loss) on investments, which includes realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the NAV per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

3. INVESTMENT FUND UNITS

Investment fund units of the Fund invest solely in underlying mutual funds.

As the Fund's assets are invested in underlying investment funds, the Fund indirectly pays management fees and operating expenses of the underlying funds. All such charges are included in the management expense ratio of the segregated funds.

Distributions of income from the underlying investment funds are shown as net gain (loss) on investments on the Statement of Comprehensive Income.

Investment activity of the underlying fund indirectly exposes the Fund to financial risk. See note 9 on Financial Instrument Risk Management.

Investments in unconsolidated structured entities

The Company has determined that the Fund meets the definition of an investment entity and as such, accounts for its holdings in unlisted open-ended investment funds at FVTPL. The Company has concluded that the underlying funds in which the Fund invests, but do not consolidate, meet the definition of structured entities because: (i) the voting rights in the underlying funds are not dominant rights in deciding who controls them; (ii) each underlying fund's activities are restricted by its prospectus; and (iii) the underlying funds have narrow and well-defined objectives to provide investment opportunities to investors.

Pathways Emerging Markets Large Cap Equity Fund (Mackenzie) SF549

Notes to the Financial Statements

(in Canadian \$ thousands)

4. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Emperor,
- Flex,
- Generations/Mosaic,
- Generations I,
- Generations II,
- Generations Core,
- Prestige/Prestige Plus, and
- Private Collections.

In addition to the Individual units, units are available for:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S1C 75/75 Constellation IC Wealth,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S2C 75/75 Constellation IC Wealth,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy,
- Option S3HF PPS 100/100 guarantee policy, and
- Option S3C 75/75 Constellation IC Wealth.

The categories of units, and the various levels within each, are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

Pathways Emerging Markets Large Cap Equity Fund (Mackenzie) SF549

Notes to the Financial Statements

(in Canadian \$ thousands)

5. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

6. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

7. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

The NAV per unit for group contractholders has not been shown because it will vary for each sub-class within the group contractholder class based on negotiated expense levels and other factors.

Pathways Emerging Markets Large Cap Equity Fund (Mackenzie) SF549

Notes to the Financial Statements

(in Canadian \$ thousands)

8. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.
- c) The Fund invests in assets or underlying funds managed by Canada Life Investment Management Ltd. All investment transactions with the corresponding underlying funds are at quoted market prices.

Pathways Emerging Markets Large Cap Equity Fund (Mackenzie) SF549

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT

a) Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023. The following sections describe the significant risks that are relevant to the Fund.

To assist with managing risk, the Fund Manager maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and securities regulations. Financial statements for the underlying funds, which include discussions about their respective risk exposure, are available upon request.

b) Liquidity Risk

Liquidity risk arises when a Fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units. As the Fund primarily invests all of its net assets in the underlying funds, liquidity risk is mitigated by the underlying funds' ability to meet the obligation to fund daily cash redemptions of their redeemable units/shares. In addition, the underlying funds retain sufficient cash and cash equivalent positions to maintain adequate liquidity.

c) Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The Fund's investments in all underlying funds are denominated in Canadian dollars. However, the Fund is indirectly exposed to currency risk to the extent that the investments of the underlying funds are denominated or traded in a foreign currency.

d) Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund does not directly hold any interest-bearing financial instruments. The Fund is indirectly exposed to the risk that the value of interest-bearing financial instruments held by the underlying funds will fluctuate due to changes in the prevailing levels of market interest rates.

e) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund has no direct exposure to credit risk. The greatest indirect concentration of credit risk is in debt securities, such as bonds, held by underlying funds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer.

f) Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. For the instruments held by the Fund, maximum risk of loss is equivalent to their fair value. The Fund Manager moderates this risk through a careful selection of underlying funds within the parameters of the investment strategy.

g) Fair Value Classification

Investment Fund Units are recorded at fair value, which is the closing NAV per unit of the underlying fund. This valuation is considered to be a Level 1 classification.

Pathways Emerging Markets Large Cap Equity Fund (Mackenzie) SF549

Supplemental Information (unaudited)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾

For the years ended December 31	2023	2022	2021	2020	2019
75/75 guarantee policy	3.26	3.25	3.23	3.35	3.25
75/100 guarantee policy	3.59	3.58	3.56	3.69	3.58
PS1 75/75 guarantee policy	2.86	2.85	2.83	2.91	2.86
PS1 75/100 guarantee policy	3.19	3.19	3.16	3.25	3.19
PS 75/75 guarantee policy	2.15	2.14	2.13	2.21	2.15
PS 75/100 guarantee policy	2.49	2.49	2.46	2.56	2.48
PPS 75/75 guarantee policy	1.76	1.75	1.72	1.78	—
PPS 75/100 guarantee policy	2.09	2.08	2.04	2.12	—
75/75 Constellation	2.55	2.52	2.51	2.58	—
75/100 Constellation	2.88	2.86	2.84	2.91	—
100/100 Constellation	3.21	3.20	3.17	3.23	—

Unsubsidized Management Expense Ratio (%) ⁽²⁾

For the years ended December 31	2023	2022	2021	2020	2019
PS1 75/75 guarantee policy	2.86	2.85	2.83	2.95	2.86
PS1 75/100 guarantee policy	3.19	3.19	3.16	3.29	3.19
PPS 75/75 guarantee policy	1.76	1.75	1.72	1.82	—
PPS 75/100 guarantee policy	2.09	2.08	2.04	2.16	—

Portfolio Turnover Rate (%) ⁽³⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	7.51	12.26	20.79	28.18	2.45

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The Company has waived a portion of the fees for the Preferred Series 1 and Preferred Partner Series guarantee policies. There is no obligation for the Company to continue waiving these fees and it may cease to do so at any time without notice.

(3) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
PATHWAYS EMERGING MARKETS EQUITY FUND (NORTHCAPE)
SF550

December 31, 2023

Independent Auditor's Report

To the Contractholders of Pathways Emerging Markets Equity Fund (Northcape) SF550 (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

Pathways Emerging Markets Equity Fund (Northcape) SF550

(in Canadian \$ thousands)

Fund Manager: Canada Life Investment Management Ltd.

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ —	\$ 68
Investment income due and accrued	—	—
Due from The Canada Life Assurance Company (note 8)	—	26
Due from brokers	—	—
Due from outside parties	—	—
Investments		
Investment fund units (note 3)	118,623	108,121
Total investments	118,623	108,121
Total assets	\$ 118,623	\$ 108,215
Liabilities		
Overdrafts	\$ 17	\$ —
Due to The Canada Life Assurance Company (note 8)	27	—
Due to brokers	16	13
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	60	13
Net assets attributable to contractholders	\$ 118,563	\$ 108,202

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 16,960	\$ (17,386)
Miscellaneous income (loss)	—	—
Total income (loss)	16,960	(17,386)
Expenses		
Management fees (note 8)	1,198	1,178
Other	133	128
Total expenses	1,331	1,306
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 15,629	\$ (18,692)

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year	\$ 108,202	\$ 116,606
Contractholder deposits	9,157	15,828
Contractholder withdrawals	(14,425)	(5,540)
Increase (decrease) in net assets from operations attributable to contractholders	15,629	(18,692)
Change in net assets attributable to contractholders	10,361	(8,404)
Net assets attributable to contractholders - end of year	\$ 118,563	\$ 108,202

Pathways Emerging Markets Equity Fund (Northcape) SF550

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 15,629	\$ (18,692)
Adjustments		
Realized (gains) losses	983	774
Unrealized (gains) losses	(16,155)	18,667
Gross proceeds of disposition of investments	13,153	5,176
Gross payments for the purchase of investments	(6,695)	(14,324)
Distribution income of underlying mutual fund	(1,788)	(2,055)
Change in due from/to The Canada Life Assurance Company	53	97
Change in due from/to brokers	3	20
	<u>5,183</u>	<u>(10,337)</u>
Financing Activities		
Contractholder deposits	9,157	15,828
Contractholder withdrawals	(14,425)	(5,540)
	<u>(5,268)</u>	<u>10,288</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	(85)	(49)
Cash, short-term deposits and overdrafts, beginning of year	68	117
Cash, short-term deposits and overdrafts, end of year	\$ (17)	\$ 68

Pathways Emerging Markets Equity Fund (Northcape) SF550

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units)

As at December 31, 2023

	<u>No. of Units</u>	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units			
Canada Life Emerging Markets Concentrated Equity Fund Series S *	8,752,947	120,829	118,623
Total Investments		120,829	118,623

Top 25 Holdings

Security Description	% of Total
Taiwan Semiconductor Manufacturing Co. Ltd. ADR	8.10%
Samsung Electronics Co. Ltd.	7.50%
Fomento Economico Mexicano SAB de CV (FEMSA) ADR	5.97%
Maruti Suzuki India Ltd.	5.30%
HDFC Bank Ltd. ADR	4.90%
Dino Polska SA	4.89%
Tata Consultancy Services Ltd.	4.88%
PT Bank Central Asia TBK	4.40%
Grupo Aeroportuario del Pacifico SAB de CV ADR	3.90%
Woongjin Coway Co. Ltd.	3.83%
Techtronic Industries Co. Ltd.	3.48%
America Movil SAB de CV ADR	3.45%
Cash and short-term deposits	3.42%
MercadoLibre Inc.	3.35%
Samsung SDI Co. Ltd.	3.08%
HDFC Bank Ltd.	2.49%
Delta Electronics Inc.	2.45%
PT Telekomunikasi Indonesia TBK ADR	2.08%
Voltronic Power Technology Corp.	2.04%
B3 SA - Brasil Bolsa Balcao	1.96%
SK Hynix Inc.	1.93%
Bharti Airtel Ltd.	1.87%
Advantech Co. Ltd.	1.80%
Grupo Financiero Banorte SAB de CV Series O	1.72%
AIA Group Ltd.	1.69%

*The issuer of this security is a related company to the issuer of the Fund.

Pathways Emerging Markets Equity Fund (Northcape) SF550

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance. Portfolio units are allocated to each category as described in note 4 and are not included on this page.

Net Assets Attributable to Contractholders by Category

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
75/75 guarantee policy	597,158	677,073	728,817	208,874	23,729	7,172	7,253	9,451	2,849	241
75/100 guarantee policy	859,802	948,578	984,391	473,215	36,097	10,141	10,012	12,619	6,403	365
PS1 75/75 guarantee policy	535,920	460,338	455,261	140,941	53,718	6,547	4,996	5,957	1,931	545
PS1 75/100 guarantee policy	700,254	715,344	603,311	218,100	21,410	8,422	7,669	7,824	2,972	217
PS2 75/75 guarantee policy	102,293	257,372	218,420	112,529	12,690	1,435	3,109	3,084	1,614	131
PS2 75/100 guarantee policy	52,409	58,728	93,745	47,799	15,049	735	709	1,324	685	155
PS 75/75 guarantee policy	32,781	38,255	37,123	13,825	2,740	413	425	494	191	28
PS 75/100 guarantee policy	37,905	42,130	77,282	10,316	8,966	470	462	1,019	142	91
PPS 75/75 guarantee policy	66,090	66,451	58,388	22,135	—	849	750	785	308	—
PPS 75/100 guarantee policy	62,788	88,458	70,464	14,631	5,097	794	986	940	203	52
75/75 Constellation	261,401	256,604	216,309	46,090	—	3,114	2,701	2,731	606	—
75/100 Constellation	247,566	259,073	236,306	74,616	—	2,911	2,701	2,964	979	—
100/100 Constellation	7,868	8,253	12,494	682	—	91	85	156	9	—

Net Assets Attributable to Contractholders Per Unit (note 7)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
75/75 guarantee policy	12.01	10.71	12.97	13.64	10.15	1.30	(2.26)
75/100 guarantee policy	11.79	10.56	12.82	13.53	10.11	1.23	(2.26)
PS1 75/75 guarantee policy	12.22	10.85	13.08	13.70	10.15	1.37	(2.23)
PS1 75/100 guarantee policy	12.03	10.72	12.97	13.63	10.13	1.31	(2.25)
PS2 75/75 guarantee policy	14.02	12.08	14.12	14.34	10.31	1.94	(2.04)
PS2 75/100 guarantee policy	14.02	12.08	14.12	14.34	10.31	1.94	(2.04)
PS 75/75 guarantee policy	12.60	11.11	13.30	13.84	10.19	1.49	(2.19)
PS 75/100 guarantee policy	12.40	10.98	13.19	13.76	10.17	1.42	(2.21)
PPS 75/75 guarantee policy	12.84	11.28	13.45	13.93	—	1.56	(2.17)
PPS 75/100 guarantee policy	12.65	11.15	13.34	13.86	10.19	1.50	(2.19)
75/75 Constellation	11.91	10.53	12.62	13.16	—	1.38	(2.09)
75/100 Constellation	11.76	10.42	12.54	13.12	—	1.34	(2.12)
100/100 Constellation	11.61	10.32	12.46	13.08	—	1.29	(2.14)

Pathways Emerging Markets Equity Fund (Northcape) SF550

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Pathways Emerging Markets Equity Fund (Northcape) SF550 (the Fund) is offered by The Canada Life Assurance Company (Canada Life or the Company).

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

Pathways Emerging Markets Equity Fund (Northcape) SF550

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

Pathways Emerging Markets Equity Fund (Northcape) SF550

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in note 9 on Financial Instrument Risk Management.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

Pathways Emerging Markets Equity Fund (Northcape) SF550

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Investment Fund Units

Investment fund units are recorded at fair value, which is the closing net asset value (NAV) per unit of the underlying fund.

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Pathways Emerging Markets Equity Fund (Northcape) SF550

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

Pathways Emerging Markets Equity Fund (Northcape) SF550

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

k) Income Allocation

Net gain (loss) on investments, which includes realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the NAV per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

3. INVESTMENT FUND UNITS

Investment fund units of the Fund invest solely in underlying mutual funds.

As the Fund's assets are invested in underlying investment funds, the Fund indirectly pays management fees and operating expenses of the underlying funds. All such charges are included in the management expense ratio of the segregated funds.

Distributions of income from the underlying investment funds are shown as net gain (loss) on investments on the Statement of Comprehensive Income.

Investment activity of the underlying fund indirectly exposes the Fund to financial risk. See note 9 on Financial Instrument Risk Management.

Investments in unconsolidated structured entities

The Company has determined that the Fund meets the definition of an investment entity and as such, accounts for its holdings in unlisted open-ended investment funds at FVTPL. The Company has concluded that the underlying funds in which the Fund invests, but do not consolidate, meet the definition of structured entities because: (i) the voting rights in the underlying funds are not dominant rights in deciding who controls them; (ii) each underlying fund's activities are restricted by its prospectus; and (iii) the underlying funds have narrow and well-defined objectives to provide investment opportunities to investors.

Pathways Emerging Markets Equity Fund (Northcape) SF550

Notes to the Financial Statements

(in Canadian \$ thousands)

4. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Emperor,
- Flex,
- Generations/Mosaic,
- Generations I,
- Generations II,
- Generations Core,
- Prestige/Prestige Plus, and
- Private Collections.

In addition to the Individual units, units are available for:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S1C 75/75 Constellation IC Wealth,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S2C 75/75 Constellation IC Wealth,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy,
- Option S3HF PPS 100/100 guarantee policy, and
- Option S3C 75/75 Constellation IC Wealth.

Portfolio units are those units owned by the Asset Allocation Funds. Each Portfolio fund is represented by a separate category.

The categories of units, and the various levels within each, are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

Pathways Emerging Markets Equity Fund (Northcape) SF550

Notes to the Financial Statements

(in Canadian \$ thousands)

5. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

6. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

7. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

The NAV per unit for group contractholders has not been shown because it will vary for each sub-class within the group contractholder class based on negotiated expense levels and other factors.

Pathways Emerging Markets Equity Fund (Northcape) SF550

Notes to the Financial Statements

(in Canadian \$ thousands)

8. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.
- c) The Fund invests in assets or underlying funds managed by Canada Life Investment Management Ltd. All investment transactions with the corresponding underlying funds are at quoted market prices.

Pathways Emerging Markets Equity Fund (Northcape) SF550

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT

a) Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023. The following sections describe the significant risks that are relevant to the Fund.

To assist with managing risk, the Fund Manager maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and securities regulations. Financial statements for the underlying funds, which include discussions about their respective risk exposure, are available upon request.

b) Liquidity Risk

Liquidity risk arises when a Fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units. As the Fund primarily invests all of its net assets in the underlying funds, liquidity risk is mitigated by the underlying funds' ability to meet the obligation to fund daily cash redemptions of their redeemable units/shares. In addition, the underlying funds retain sufficient cash and cash equivalent positions to maintain adequate liquidity.

c) Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The Fund's investments in all underlying funds are denominated in Canadian dollars. However, the Fund is indirectly exposed to currency risk to the extent that the investments of the underlying funds are denominated or traded in a foreign currency.

d) Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund does not directly hold any interest-bearing financial instruments. The Fund is indirectly exposed to the risk that the value of interest-bearing financial instruments held by the underlying funds will fluctuate due to changes in the prevailing levels of market interest rates.

e) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund has no direct exposure to credit risk. The greatest indirect concentration of credit risk is in debt securities, such as bonds, held by underlying funds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer.

f) Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. For the instruments held by the Fund, maximum risk of loss is equivalent to their fair value. The Fund Manager moderates this risk through a careful selection of underlying funds within the parameters of the investment strategy.

g) Fair Value Classification

Investment Fund Units are recorded at fair value, which is the closing NAV per unit of the underlying fund. This valuation is considered to be a Level 1 classification.

Pathways Emerging Markets Equity Fund (Northcape) SF550

Supplemental Information (unaudited)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾

For the years ended December 31	2023	2022	2021	2020	2019
75/75 guarantee policy	3.49	3.50	3.49	3.57	3.53
75/100 guarantee policy	3.83	3.83	3.80	3.90	3.86
PS1 75/75 guarantee policy	3.10	3.09	3.02	3.10	3.13
PS1 75/100 guarantee policy	3.43	3.42	3.35	3.43	3.47
PS 75/75 guarantee policy	2.39	2.38	2.37	2.45	2.43
PS 75/100 guarantee policy	2.72	2.74	2.72	2.79	2.77
PPS 75/75 guarantee policy	1.99	1.98	1.93	1.99	—
PPS 75/100 guarantee policy	2.32	2.31	2.26	2.32	2.39
75/75 Constellation	2.56	2.56	2.56	2.61	—
75/100 Constellation	2.89	2.89	2.87	2.96	—
100/100 Constellation	3.23	3.24	3.23	3.29	—

Unsubsidized Management Expense Ratio (%) ⁽²⁾

For the years ended December 31	2023	2022	2021	2020	2019
PS1 75/75 guarantee policy	3.10	3.09	3.08	3.18	3.13
PS1 75/100 guarantee policy	3.43	3.42	3.41	3.51	3.47
PPS 75/75 guarantee policy	1.99	1.98	1.99	2.07	—
PPS 75/100 guarantee policy	2.32	2.31	2.32	2.40	2.39

Portfolio Turnover Rate (%) ⁽³⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	5.88	4.75	5.63	24.14	11.59

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The Company has waived a portion of the fees for the Preferred Series 1 and Preferred Partner Series guarantee policies. There is no obligation for the Company to continue waiving these fees and it may cease to do so at any time without notice.

(3) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
PATHWAYS GLOBAL TACTICAL FUND (ILIM) SF551

December 31, 2023

Independent Auditor's Report

To the Contractholders of Pathways Global Tactical Fund (ILIM) SF551 (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

Pathways Global Tactical Fund (ILIM) SF551

(in Canadian \$ thousands)

Fund Manager: Canada Life Investment Management Ltd.

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ 4	\$ 36
Investment income due and accrued	—	—
Due from The Canada Life Assurance Company (note 8)	10	—
Due from brokers	8	—
Due from outside parties	—	—
Investments		
Investment fund units (note 3)	23,768	25,245
Total investments	23,768	25,245
Total assets	\$ 23,790	\$ 25,281
Liabilities		
Overdrafts	\$ —	\$ —
Due to The Canada Life Assurance Company (note 8)	—	10
Due to brokers	—	24
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	—	34
Net assets attributable to contractholders	\$ 23,790	\$ 25,247

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 4,158	\$ (3,396)
Miscellaneous income (loss)	—	—
Total income (loss)	4,158	(3,396)
Expenses		
Management fees (note 8)	237	218
Other	28	26
Total expenses	265	244
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 3,893	\$ (3,640)

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year	\$ 25,247	\$ 23,627
Contractholder deposits	3,297	7,797
Contractholder withdrawals	(8,647)	(2,537)
Increase (decrease) in net assets from operations attributable to contractholders	3,893	(3,640)
Change in net assets attributable to contractholders	(1,457)	1,620
Net assets attributable to contractholders - end of year	\$ 23,790	\$ 25,247

Pathways Global Tactical Fund (ILIM) SF551

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 3,893	\$ (3,640)
Adjustments		
Realized (gains) losses	(79)	(24)
Unrealized (gains) losses	(3,740)	4,596
Gross proceeds of disposition of investments	8,528	1,842
Gross payments for the purchase of investments	(2,893)	(6,945)
Distribution income of underlying mutual fund	(339)	(1,176)
Change in due from/to The Canada Life Assurance Company	(20)	112
Change in due from/to brokers	(32)	5
	<u>5,318</u>	<u>(5,230)</u>
Financing Activities		
Contractholder deposits	3,297	7,797
Contractholder withdrawals	(8,647)	(2,537)
	<u>(5,350)</u>	<u>5,260</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	(32)	30
Cash, short-term deposits and overdrafts, beginning of year	36	6
Cash, short-term deposits and overdrafts, end of year	\$ 4	\$ 36

Pathways Global Tactical Fund (ILIM) SF551

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units)

As at December 31, 2023

	<u>No. of Units</u>	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units			
Canada Life Global Tactical Fund Series S *	1,898,683	21,875	23,768
Total Investments		21,875	23,768

Top Holdings

Security Description	% of Total
Vanguard S&P 500 ETF	71.98%
Vanguard FTSE Developed Markets ETF	27.66%
Cash and short-term deposits	0.36%

*The issuer of this security is a related company to the issuer of the Fund.

Pathways Global Tactical Fund (ILIM) SF551

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance. Portfolio units are allocated to each category as described in note 4 and are not included on this page.

Net Assets Attributable to Contractholders by Category ⁽¹⁾

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
75/75 Constellation	596,698	569,567	472,250	138,323	—	7,048	5,777	5,626	1,379	—
75/100 Constellation	525,420	560,233	511,867	199,388	—	6,110	5,616	6,050	1,980	—
100/100 Constellation	25,244	26,946	37,180	8,175	—	290	268	437	81	—

Net Assets Attributable to Contractholders Per Unit ⁽¹⁾ (note 7)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
75/75 Constellation	11.81	10.14	11.91	9.97	—	1.67	(1.77)
75/100 Constellation	11.63	10.02	11.82	9.93	—	1.61	(1.80)
100/100 Constellation	11.50	9.94	11.76	9.90	—	1.56	(1.82)

⁽¹⁾ The Fund commenced on January 13, 2020 and as a result does not have comparative figures for the prior year.

Pathways Global Tactical Fund (ILIM) SF551

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Pathways Global Tactical Fund (ILIM) SF551 (the Fund) is offered by The Canada Life Assurance Company (Canada Life or the Company).

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

Pathways Global Tactical Fund (ILIM) SF551

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

Pathways Global Tactical Fund (ILIM) SF551

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in note 9 on Financial Instrument Risk Management.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

Pathways Global Tactical Fund (ILIM) SF551

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Investment Fund Units

Investment fund units are recorded at fair value, which is the closing net asset value (NAV) per unit of the underlying fund.

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Pathways Global Tactical Fund (ILIM) SF551

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

Pathways Global Tactical Fund (ILIM) SF551

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

k) Income Allocation

Net gain (loss) on investments, which includes realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the NAV per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

3. INVESTMENT FUND UNITS

Investment fund units of the Fund invest solely in underlying mutual funds.

As the Fund's assets are invested in underlying investment funds, the Fund indirectly pays management fees and operating expenses of the underlying funds. All such charges are included in the management expense ratio of the segregated funds.

Distributions of income from the underlying investment funds are shown as net gain (loss) on investments on the Statement of Comprehensive Income.

Investment activity of the underlying fund indirectly exposes the Fund to financial risk. See note 9 on Financial Instrument Risk Management.

Investments in unconsolidated structured entities

The Company has determined that the Fund meets the definition of an investment entity and as such, accounts for its holdings in unlisted open-ended investment funds at FVTPL. The Company has concluded that the underlying funds in which the Fund invests, but do not consolidate, meet the definition of structured entities because: (i) the voting rights in the underlying funds are not dominant rights in deciding who controls them; (ii) each underlying fund's activities are restricted by its prospectus; and (iii) the underlying funds have narrow and well-defined objectives to provide investment opportunities to investors.

Pathways Global Tactical Fund (ILIM) SF551

Notes to the Financial Statements

(in Canadian \$ thousands)

4. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S1C 75/75 Constellation IC Wealth,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S2C 75/75 Constellation IC Wealth,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy,
- Option S3HF PPS 100/100 guarantee policy, and
- Option S3C 75/75 Constellation IC Wealth.

Portfolio units are those units owned by the Asset Allocation Funds. Each Portfolio fund is represented by a separate category.

The categories of units, and the various levels within each, are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

Pathways Global Tactical Fund (ILIM) SF551

Notes to the Financial Statements

(in Canadian \$ thousands)

5. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

6. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

7. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

The NAV per unit for group contractholders has not been shown because it will vary for each sub-class within the group contractholder class based on negotiated expense levels and other factors.

Pathways Global Tactical Fund (ILIM) SF551

Notes to the Financial Statements

(in Canadian \$ thousands)

8. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.
- c) The Fund invests in assets or underlying funds managed by Canada Life Investment Management Ltd. All investment transactions with the corresponding underlying funds are at quoted market prices.

Pathways Global Tactical Fund (ILIM) SF551

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT

a) Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023. The following sections describe the significant risks that are relevant to the Fund.

To assist with managing risk, the Fund Manager maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and securities regulations. Financial statements for the underlying funds, which include discussions about their respective risk exposure, are available upon request.

b) Liquidity Risk

Liquidity risk arises when a Fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units. As the Fund primarily invests all of its net assets in the underlying funds, liquidity risk is mitigated by the underlying funds' ability to meet the obligation to fund daily cash redemptions of their redeemable units/shares. In addition, the underlying funds retain sufficient cash and cash equivalent positions to maintain adequate liquidity.

c) Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The Fund's investments in all underlying funds are denominated in Canadian dollars. However, the Fund is indirectly exposed to currency risk to the extent that the investments of the underlying funds are denominated or traded in a foreign currency.

d) Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund does not directly hold any interest-bearing financial instruments. The Fund is indirectly exposed to the risk that the value of interest-bearing financial instruments held by the underlying funds will fluctuate due to changes in the prevailing levels of market interest rates.

e) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund has no direct exposure to credit risk. The greatest indirect concentration of credit risk is in debt securities, such as bonds, held by underlying funds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer.

f) Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. For the instruments held by the Fund, maximum risk of loss is equivalent to their fair value. The Fund Manager moderates this risk through a careful selection of underlying funds within the parameters of the investment strategy.

g) Fair Value Classification

Investment Fund Units are recorded at fair value, which is the closing NAV per unit of the underlying fund. This valuation is considered to be a Level 1 classification.

Pathways Global Tactical Fund (ILIM) SF551

Supplemental Information *(unaudited)*

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾⁽³⁾

For the years ended December 31	2023	2022	2021	2020	2019
75/75 Constellation	1.93	1.95	1.91	1.85	—
75/100 Constellation	2.32	2.34	2.30	2.25	—
100/100 Constellation	2.59	2.63	2.60	2.52	—

Portfolio Turnover Rate (%) ⁽²⁾⁽³⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	12.01	7.49	2.04	6.96	—

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

(3) The Fund commenced on January 13, 2020 and as a result does not have comparative figures for the prior year.

Financial Statements of

**THE CANADA LIFE ASSURANCE COMPANY
BALANCED FUND (BG) SF552**

December 31, 2023

Independent Auditor's Report

To the Contractholders of Balanced Fund (BG) SF552 (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

Balanced Fund (BG) SF552

(in Canadian \$ thousands)

Fund Manager: Beutel, Goodman & Company Ltd.

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ 10,559	\$ 22,980
Investment income due and accrued	1,880	1,314
Due from The Canada Life Assurance Company (note 7)	786	662
Due from brokers	—	78
Due from outside parties	—	—
Investments		
Bonds	188,724	146,812
Stocks	400,634	325,292
Investment fund units	—	—
Total investments	589,358	472,104
Total assets	\$ 602,583	\$ 497,138
Liabilities		
Overdrafts	\$ —	\$ —
Due to The Canada Life Assurance Company (note 7)	—	—
Due to brokers	—	5,385
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	—	5,385
Net assets attributable to contractholders	\$ 602,583	\$ 491,753

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 47,085	\$ (3,632)
Miscellaneous income (loss)	86	66
Total income (loss)	47,171	(3,566)
Expenses		
Management fees (note 7)	12,525	9,388
Transaction costs	42	93
Withholding taxes	520	406
Other	1,495	1,115
Total expenses	14,582	11,002
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 32,589	\$ (14,568)

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year	\$ 491,753	\$ 379,373
Contractholder deposits	153,363	171,134
Contractholder withdrawals	(75,122)	(44,186)
Increase (decrease) in net assets from operations attributable to contractholders	32,589	(14,568)
Change in net assets attributable to contractholders	110,830	112,380
Net assets attributable to contractholders - end of year	\$ 602,583	\$ 491,753

Balanced Fund (BG) SF552

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 32,589	\$ (14,568)
Adjustments		
Realized (gains) losses	3,092	(5,337)
Unrealized (gains) losses	(32,625)	20,595
Gross proceeds of disposition of investments	216,452	192,210
Gross payments for the purchase of investments	(304,173)	(308,716)
Change in investment income due and accrued	(566)	(323)
Change in due from/to The Canada Life Assurance Company	(124)	(666)
Change in due from/to brokers	(5,307)	4,736
Change in due from/to outside parties	—	—
	<u>(90,662)</u>	<u>(112,069)</u>
Financing Activities		
Contractholder deposits	153,363	171,134
Contractholder withdrawals	(75,122)	(44,186)
	<u>78,241</u>	<u>126,948</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	(12,421)	14,879
Cash, short-term deposits and overdrafts, beginning of year	22,980	8,101
Cash, short-term deposits and overdrafts, end of year	\$ 10,559	\$ 22,980
Supplementary cash flow information		
Interest income received	\$ 5,693	\$ 3,507
Dividend income received	10,682	7,603

Balanced Fund (BG) SF552

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or Par Value	Average Cost	Fair Value
Canadian Bonds			
Federal Government			
Government of Canada 0.50% 12-01-2030	289,000	233	243
Government of Canada 1.25% 03-01-2027	2,639,000	2,385	2,471
Government of Canada 1.25% 06-01-2030	378,000	326	338
Government of Canada 1.75% 12-01-2053	2,305,000	1,641	1,732
Government of Canada 2.00% 06-01-2032	8,840,000	7,964	8,123
Government of Canada 2.00% 12-01-2051	3,941,000	3,556	3,174
Government of Canada 2.25% 06-01-2029	947,000	880	909
Government of Canada 2.50% 12-01-2032	5,636,000	5,373	5,375
Government of Canada 2.75% 06-01-2033	5,419,000	5,113	5,267
Government of Canada 2.75% 09-01-2027	1,681,000	1,625	1,649
Government of Canada 3.25% 09-01-2028	372,000	366	373
Government of Canada 3.25% 12-01-2033	4,096,000	3,893	4,149
Government of Canada 3.50% 03-01-2028	741,000	739	749
Government of Canada 4.50% 11-01-2025	251,000	251	254
Government of Canada 5.00% 06-01-2037	2,383,000	2,861	2,870
Total Federal Government		37,206	37,676
Provincial Government			
British Columbia Investment Management Corp. 4.90% 06-02-2033	834,000	831	902
Ontario Teachers' Finance Trust 1.10% 10-19-2027	1,389,000	1,327	1,261
Province of Alberta 2.05% 06-01-2030	3,765,000	3,646	3,439
Province of Alberta 2.90% 12-01-2028	398,000	430	387
Province of Alberta 2.95% 06-01-2052	692,000	580	571
Province of Alberta 3.10% 06-01-2050	3,318,000	3,228	2,819
Province of Alberta 3.90% 12-01-2033	233,000	239	235
Province of British Columbia 2.75% 06-18-2052	1,788,000	1,618	1,429
Province of British Columbia 2.80% 06-18-2048	321,000	276	261
Province of British Columbia 2.95% 06-18-2050	1,360,000	1,284	1,131
Province of British Columbia 3.55% 06-18-2033	2,470,000	2,301	2,427
Province of British Columbia 4.25% 12-18-2053	327,000	321	346
Province of Ontario 1.05% 09-08-2027	3,899,000	3,605	3,562
Province of Ontario 1.85% 02-01-2027	1,001,000	1,013	949
Province of Ontario 1.90% 12-02-2051	3,728,000	2,838	2,461
Province of Ontario 2.65% 12-02-2050	559,000	425	438
Province of Ontario 2.70% 06-02-2029	1,249,000	1,182	1,199
Province of Ontario 3.45% 06-02-2045	4,832,000	5,019	4,432

Balanced Fund (BG) SF552

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or Par Value	Average Cost	Fair Value
Canadian Bonds (continued)			
Provincial Government (continued)			
Province of Ontario 3.50% 06-02-2043	5,498,000	5,687	5,105
Province of Ontario 3.65% 06-02-2033	7,861,000	7,625	7,788
Province of Ontario 4.70% 06-02-2037	5,477,000	5,895	5,914
Province of Quebec 3.10% 12-01-2051	3,548,000	3,543	3,049
Province of Quebec 3.50% 12-01-2045	4,907,000	5,050	4,533
Province of Quebec 3.50% 12-01-2048	355,000	433	327
Province of Quebec 3.60% 09-01-2033	4,516,000	4,374	4,460
Province of Quebec 5.00% 12-01-2038	391,000	426	437
Province of Quebec 5.00% 12-01-2041	2,116,000	2,713	2,378
Province of Saskatchewan 5.80% 09-05-2033	178,000	200	206
Total Provincial Government		66,109	62,446
Municipal Government			
City of Toronto 1.60% 12-02-2030	537,000	490	471
City of Toronto 3.25% 06-24-2046	1,460,000	1,481	1,240
Total Municipal Government		1,971	1,711
Corporate - Non-convertible			
407 International Inc. 4.86% 07-31-2053	283,000	283	303
AltaGas Ltd. 4.638% 05-15-2026	1,451,000	1,438	1,452
AltaLink LP 3.717% 12-03-2046	325,000	328	292
AltaLink LP 5.463% 10-11-2055	416,000	416	491
ARC Resources Ltd. 2.354% 03-10-2026	1,081,000	1,081	1,031
Bank of Montreal 4.537% 12-18-2028	727,000	727	731
Bank of Montreal 5.039% 05-29-2028	1,513,000	1,513	1,547
Bell Canada 5.25% 03-15-2029	845,000	844	881
Bell Canada 6.10% 03-16-2035	189,000	203	207
Bell Canada Inc. 4.55% 02-09-2030	2,142,000	2,118	2,159
Bell Canada Inc. 5.85% 11-10-2032	167,000	167	182
Brookfield Renewable Partners ULC 5.292% 10-28-2033	748,000	748	769
Calgary Airport Authority 3.199% 10-07-2036	322,000	305	283
Calgary Airport Authority 3.754% 10-07-2061	655,879	577	584
Canadian Imperial Bank of Commerce 5.00% 12-07-2026	2,386,000	2,386	2,419
Canadian Imperial Bank of Commerce 5.05% 10-07-2027	2,679,000	2,702	2,727
Canadian Imperial Bank of Commerce 5.35% 04-20-2033	327,000	327	331

Balanced Fund (BG) SF552

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or Par Value	Average Cost	Fair Value
Canadian Bonds (continued)			
Corporate - Non-convertible (continued)			
Canadian Imperial Bank of Commerce 7.15% 07-28-2082	186,000	185	185
Canadian National Railway Co. 4.70% 05-10-2053	443,000	440	457
Canadian Tire Corp. Ltd. 5.372% 09-16-2030	345,000	345	361
CDP Financial Inc. 3.70% 03-08-2028	416,000	415	417
CDP Financial Inc. 3.80% 06-02-2027	743,000	743	745
CDP Financial Inc. 3.95% 09-01-2029	1,739,000	1,734	1,771
CDP Financial Inc. 4.20% 12-02-2030	1,068,000	1,065	1,102
CU Inc. 3.174% 09-05-2051	168,000	152	135
CU Inc. 4.947% 11-18-2050	61,000	85	66
Enbridge Gas Distribution Inc. 4.95% 11-22-2050	467,000	553	494
Enbridge Gas Distribution Inc. 7.60% 10-29-2026	252,000	317	271
Enbridge Gas Inc. 3.65% 04-01-2050	943,000	919	811
Enbridge Gas Inc. 5.70% 10-06-2033	511,000	511	563
Enbridge Inc. 3.10% 09-21-2033	483,000	447	418
Enbridge Inc. 4.90% 05-26-2028	873,000	872	888
Enbridge Inc. 6.625% 04-12-2078	664,000	694	655
Enbridge Inc. 6.90% 11-15-2032	161,000	212	188
Enbridge Inc. 8.495% 01-15-2084	302,000	302	318
Enbridge Inc. 8.747% 01-15-2084	444,000	444	479
Enbridge Pipelines Inc. 4.20% 05-12-2051	530,000	472	454
Enbridge Pipelines Inc. 6.05% 02-12-2029	251,000	292	263
Equitable Bank 1.983% 05-09-2024	972,000	951	960
Federation des Caisses Desjardins du Quebec 5.467% 11-17-2028	878,000	878	915
Ford Auto Securitization Trust 1.162% 10-15-2025	55,889	54	55
Ford Credit Canada Co. 6.326% 11-10-2026	264,000	264	271
Ford Credit Canada Co. 6.382% 11-10-2028	211,000	211	221
Fortis Inc. 5.677% 11-08-2033	340,000	340	368
FortisAlberta Inc. 3.734% 09-18-2048	598,000	607	531
FortisBC Energy Inc. 2.54% 07-13-2050	573,000	464	403
FortisBC Energy Inc. 6.00% 10-02-2037	185,000	254	210
Gibson Energy Inc. 5.75% 07-12-2033	174,000	174	183
Granite REIT Holdings LP 6.074% 04-12-2029	437,000	437	463
HSBC Bank Canada 4.81% 12-16-2024	806,000	806	804
Hydro One Inc. 5.54% 10-20-2025	1,025,000	1,025	1,046
Inter Pipeline Ltd. 5.76% 02-17-2028	1,101,000	1,112	1,137
Inter Pipeline Ltd. 5.849% 05-18-2032	676,000	675	694
Inter Pipeline Ltd. 6.59% 02-09-2034	422,000	422	454

Balanced Fund (BG) SF552

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or Par Value	Average Cost	Fair Value
Canadian Bonds (continued)			
Corporate - Non-convertible (continued)			
Interprovincial Pipe Line Ltd. 8.20% 02-15-2024	195,000	224	196
John Deere Financial Inc. 5.17% 09-15-2028	538,000	538	563
Lower Mattagami Energy LP 2.433% 05-14-2031	69,000	69	62
Magna International Inc. 4.95% 01-31-2031	353,000	353	363
Manulife Bank of Canada 1.337% 02-26-2026	618,000	615	581
Manulife Financial Corp. 5.409% 03-10-2033	484,000	484	495
NOVA Gas Transmission Ltd. 6.59% 12-01-2027	41,000	52	43
Nova Scotia Power Inc. 6.95% 08-25-2033	218,000	311	251
OMERS Finance Trust 1.55% 04-21-2027	548,000	552	511
Pembina Pipeline Corp. 5.72% 06-22-2026	766,000	766	768
Penske Truck Leasing Canada Inc. 5.44% 12-08-2025	225,000	225	227
PSP Capital Inc. 0.90% 06-15-2026	2,479,000	2,391	2,308
RioCan Real Estate 6.488% 09-29-2026	876,000	876	882
Rogers Communications Inc. 5.80% 09-21-2030	1,191,000	1,190	1,265
Royal Bank of Canada 3.369% 09-29-2025	1,497,000	1,477	1,464
Royal Bank of Canada 4.50% 11-24-2080	1,298,000	1,340	1,236
Royal Bank of Canada 4.632% 05-01-2028	1,189,000	1,189	1,199
Royal Bank of Canada 4.642% 01-17-2028	1,312,000	1,311	1,323
Royal Bank of Canada 5.235% 11-02-2026	2,550,000	2,531	2,603
Suncor Energy Inc. 5.60% 11-17-2025	1,303,000	1,301	1,322
TELUS Corp. 4.95% 03-28-2033	621,000	620	629
TELUS Corp. 5.00% 09-13-2029	312,000	312	320
TELUS Corp. 5.60% 09-09-2030	1,158,000	1,157	1,225
The Bank of Nova Scotia 1.95% 01-10-2025	1,493,000	1,468	1,446
The Bank of Nova Scotia 5.50% 12-29-2025	1,482,000	1,481	1,504
The Bank of Nova Scotia 5.679% 08-02-2033	464,000	464	477
The Bank of Nova Scotia 7.023% 07-27-2082	974,000	970	963
The Consumers Gas Co. Ltd. 9.85% 12-02-2024	70,000	81	73
The Toronto-Dominion Bank 3.105% 04-22-2030	1,052,000	1,071	1,023
The Toronto-Dominion Bank 4.34% 01-27-2026	2,167,000	2,136	2,159
The Toronto-Dominion Bank 4.68% 01-08-2029	2,768,000	2,768	2,800
The Toronto-Dominion Bank 5.376% 10-21-2027	1,463,000	1,447	1,509
The Toronto-Dominion Bank 5.423% 07-10-2026	1,533,000	1,533	1,566
The Toronto-Dominion Bank 5.491% 09-08-2028	3,457,000	3,478	3,616
The Toronto-Dominion Bank 7.283% 10-31-2082	808,000	811	808
TransCanada PipeLines Ltd. 5.277% 07-15-2030	166,000	165	172
TransCanada PipeLines Ltd. 7.31% 01-15-2027	131,000	160	139

Balanced Fund (BG) SF552

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or Par Value	Average Cost	Fair Value
Canadian Bonds (continued)			
Corporate - Non-convertible (continued)			
TransCanada PipeLines Ltd. 7.90% 04-15-2027	30,000	37	32
TransCanada PipeLines Ltd. 8.20% 08-15-2031	334,000	468	394
TransCanada PipeLines Ltd. 8.21% 04-25-2030	233,000	333	267
TransCanada PipeLines Ltd. 8.29% 02-05-2026	1,415,000	1,728	1,499
Union Gas Ltd. 3.59% 11-22-2047	310,000	289	266
Union Gas Ltd. 8.65% 11-10-2025	69,000	93	73
Vancouver Airport Fuel Facilities Corp. 2.168% 06-23-2025	1,396,000	1,319	1,345
Westcoast Energy Inc. 7.15% 03-20-2031	625,000	725	701
Westcoast Energy Inc. 7.30% 12-18-2026	1,806,000	2,228	1,906
Westcoast Energy Inc. 8.85% 07-21-2025	100,000	108	105
WSP Global Inc. 5.548% 11-22-2030	1,302,000	1,302	1,371
Total Corporate - Non-convertible		82,583	82,195
Total Canadian Bonds		187,869	184,028
United States Bonds			
Corporate - Non-convertible			
Verizon Communications Inc. 2.375% 03-22-2028	1,417,000	1,354	1,311
Total Corporate - Non-convertible		1,354	1,311
Total United States Bonds		1,354	1,311
Global Bonds			
Jersey			
Heathrow Funding Ltd. 2.694% 10-13-2027	1,962,000	1,911	1,837
Heathrow Funding Ltd. 3.726% 04-13-2033	451,000	410	408
United Kingdom			
National Grid Electricity Transmission PLC 2.301% 06-22-2029	1,275,000	1,177	1,140
Total Global Bonds		3,498	3,385
Total Bonds		192,721	188,724

Balanced Fund (BG) SF552

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or Par Value	Average Cost	Fair Value
Canadian Common Stock			
Communication Services			
Quebecor Media Inc. Class B sub. voting	146,970	4,484	4,632
Rogers Communications Inc. Class B non-voting	156,260	9,618	9,693
Consumer Discretionary			
BRP Inc.	54,410	5,466	5,159
Canadian Tire Corp. Ltd. Class A non-voting	30,600	4,925	4,306
Magna International Inc.	110,720	9,164	8,668
Restaurant Brands International Inc.	84,280	6,545	8,726
Consumer Staples			
Alimentation Couche-Tard Inc.	95,840	4,723	7,478
George Weston Ltd.	26,490	3,428	4,358
Loblaw Companies Ltd.	17,210	1,828	2,208
Metro Inc.	88,370	5,709	6,061
Saputo Inc.	191,760	6,472	5,145
Energy			
Hydro One Ltd.	50,400	1,532	2,001
Suncor Energy Inc.	187,090	6,780	7,942
TC Energy Corp.	186,030	11,051	9,629
Financials			
Bank of Montreal	78,370	9,510	10,275
Brookfield Asset Management Inc. Class A	99,340	4,433	5,287
Brookfield Corp.	136,430	6,570	7,251
Manulife Financial Corp.	340,290	8,506	9,964
Royal Bank of Canada	150,580	18,692	20,178
Sun Life Financial Inc.	132,030	8,262	9,073
The Bank of Nova Scotia	49,140	3,520	3,170
The Toronto-Dominion Bank	199,220	16,364	17,057
Industrials			
CAE Inc.	171,410	5,342	4,902
Canadian National Railway Co.	64,520	9,399	10,746
Canadian Pacific Kansas City Ltd.	70,150	6,477	7,355
RB Global Inc.	96,840	7,503	8,587

Balanced Fund (BG) SF552

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or Par Value	Average Cost	Fair Value
Canadian Common Stock (continued)			
Information Technology			
CGI Group Inc. Class A sub. voting	36,440	3,930	5,173
Open Text Corp.	119,610	6,382	6,661
Materials			
CCL Industries Inc. Class B non-voting	111,010	6,546	6,615
Franco-Nevada Corp.	11,690	2,030	1,716
Nutrien Ltd.	57,300	4,684	4,277
Real Estate			
Colliers International Group Inc.	23,910	3,447	4,007
Utilities			
Fortis Inc.	130,120	7,300	7,093
Total Canadian Common Stock		220,622	235,393
United States Common Stock			
Communication Services			
Comcast Corp. Class A	86,130	4,984	5,004
Omnicom Group Inc.	64,820	6,216	7,430
The Interpublic Group of Companies Inc.	116,260	5,105	5,028
Consumer Discretionary			
eBay Inc.	75,160	5,303	4,344
Gentex Corp.	98,110	4,046	4,247
Harley-Davidson Inc.	122,200	5,913	5,965
Polaris Inc.	35,360	5,415	4,440
Tempur Sealy International Inc.	75,220	2,852	5,080
Consumer Staples			
Campbell Soup Co.	84,310	5,130	4,829
Kellanova	75,150	5,881	5,567
Kimberly-Clark Corp.	35,990	6,171	5,795
WK Kellogg Co.	15,915	329	277
Financials			
American Express Co.	32,410	6,368	8,045

Balanced Fund (BG) SF552

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or Par Value	Average Cost	Fair Value
United States Common Stock (continued)			
Financials (continued)			
Ameriprise Financial Inc.	11,720	3,828	5,899
BlackRock Inc.	5,380	4,518	5,787
SEI Investments Co.	65,470	4,892	5,513
The Carlyle Group Inc.	68,330	2,987	3,684
Health Care			
Amgen Inc.	23,560	7,113	8,991
Biogen Inc.	15,910	5,507	5,455
Cencora Inc.	10,830	1,767	2,947
Merck & Co. Inc.	38,690	4,437	5,589
Industrials			
Cummins Inc.	14,740	4,131	4,679
Flowserve Corp.	109,470	4,869	5,979
Masco Corp.	70,880	4,676	6,291
Parker Hannifin Corp.	4,110	1,469	2,509
Wabtec Corp.	26,430	2,835	4,444
Information Technology			
Gen Digital Inc.	210,500	6,281	6,365
NetApp Inc.	70,560	6,427	8,242
Qualcomm Inc.	43,590	6,911	8,354
Materials			
PPG Industries Inc.	6,570	1,129	1,302
Total United States Common Stock		137,490	158,081

Balanced Fund (BG) SF552

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or <u>Par Value</u>	Average <u>Cost</u>	Fair <u>Value</u>
Global Common Stock			
Guernsey			
Amdocs Ltd.	61,480	6,208	7,160
Total Global Common Stock		6,208	7,160
Total Stocks		364,320	400,634
Transaction Costs (note 2)		(76)	
Total Investments		556,965	589,358

Balanced Fund (BG) SF552

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

Introduction

The objective of the Balanced Fund (BG) SF552 (the Fund) in managing risk is the creation and protection of contractholder value. Risk is inherent in the Fund's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. The process of risk management is critical to the Fund's continuing profitability. The Fund can be exposed to liquidity risk, market risk (which includes currency risk, interest rate risk and other price risk) and credit risk arising from the financial instruments it holds.

A. Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023, and groups the securities by asset type, geographic region and/or market segment. The following sections describe the significant risks that are relevant to the Fund.

To assist with managing risk, The Canada Life Assurance Company (Canada Life or the Company) maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and other regulations.

B. Liquidity Risk

Liquidity risk arises when a fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units by contractholders. The Fund retains sufficient cash and cash equivalent positions to maintain adequate liquidity to meet the obligation to fund daily cash redemptions of their redeemable units.

Some securities are illiquid due to legal restrictions on their resale, the nature of the investment, or simply a lack of interested buyers for a particular security or security type. Certain securities may become less liquid due to changes in market conditions, such as interest rate changes or market volatility, which could impair the ability of a fund to sell such securities quickly.

In accordance with the Fund's policy, the Company monitors the Fund's liquidity positions on a regular basis.

C. Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The classifications used on the Schedule of Investment Portfolio for the financial instruments are based on the country of issue.

Balanced Fund (BG) SF552

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

C. Currency Risk (continued)

The table below indicates the foreign currencies to which the Fund had significant exposure as at December 31, 2023 in Canadian dollar terms, including the underlying principal amount of forward currency contracts, if any. The table also illustrates the potential impact to the Fund's net assets attributable to contractholders, all other variables held constant, as a result of a 1% change in these currencies relative to the Canadian dollar. In practice, the actual results may differ from this sensitivity analysis and the difference could be significant.

2023					
Currency	Investments	Cash, Short-term Deposits and Overdrafts	Total*	Impact on Net Assets Attributable to Contractholders	
United States Dollar	\$ 165,241	\$ 75	\$ 165,316	\$	1,653
Total	\$ 165,241	\$ 75	\$ 165,316	\$	1,653
As Percent of Net Assets Attributable to Contractholders				27.4%	0.3%

**Includes both monetary and non-monetary instruments*

2022					
Currency	Investments	Cash, Short-term Deposits and Overdrafts	Total*	Impact on Net Assets Attributable to Contractholders	
United States Dollar	\$ 134,474	\$ 29	\$ 134,503	\$	1,345
Total	\$ 134,474	\$ 29	\$ 134,503	\$	1,345
As Percent of Net Assets Attributable to Contractholders				27.4%	0.3%

**Includes both monetary and non-monetary instruments*

D. Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund is exposed to the risk that the value of interest-bearing financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. Due to the nature of short-term fixed income securities with a remaining term-to-maturity of less than one year, these investments are not generally exposed to a significant risk that their value will fluctuate in response to changes in the prevailing levels of market interest rates. The risk is professionally managed at the security and fund level by the Company.

The table below summarizes the Fund's exposure to interest rate risk by remaining term-to-maturity.

2023					
	1 year or less	Over 1 year to 5 years	Over 5 years to 10 years	Over 10 years	Total
Bonds	\$ 2,033	\$ 61,372	\$ 69,587	\$ 55,732	\$ 188,724

2022					
	1 year or less	Over 1 year to 5 years	Over 5 years to 10 years	Over 10 years	Total
Bonds	\$ 4,652	\$ 41,478	\$ 57,820	\$ 42,862	\$ 146,812

Balanced Fund (BG) SF552

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

D. Interest Rate Risk (continued)

As at December 31, 2023, had prevailing interest rates increased or decreased by 1% assuming a parallel shift in the yield curve, with all other variables held constant, net assets attributable to contractholders would have decreased or increased, respectively, by approximately \$14,307 (\$11,732 at December 31, 2022) or approximately 2.4% (2.4% at December 31, 2022). The Fund's sensitivity to interest rate changes was estimated using the weighted average duration of the bond portfolio. In practice, the actual results may differ and the difference could be significant.

E. Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund's greatest concentration of credit risk is in debt securities, such as bonds. The fair value of debt instruments includes consideration of the creditworthiness of the debt issuer. The carrying amount of debt instruments represents the maximum credit risk exposure as at December 31, 2023. The amount of credit risk to any one issuer may be determined from the information reported in the Schedule of Investment Portfolio. The Fund may invest in short-term fixed income securities issued or guaranteed primarily by the Government of Canada or any Canadian provincial government, obligations of Canadian chartered banks or trust companies, and commercial paper with approved credit ratings. The risk of default on these short-term fixed income securities is considered low. The Company monitors credit risk and credit ratings on a regular basis. All new counterparties to financial instruments are subject to an approval process.

There was no change in fair values of financial liabilities as a result of changes in credit risks during 2023 or 2022.

All transactions in listed securities are settled and paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker.

Credit ratings disclosed below are obtained from independent rating agencies including DBRS, Standard & Poor's, Moody's Investors Service and Fitch Ratings. The lowest rating provided by the agencies is used.

Debt securities by credit rating are as follows:

	2023		2022	
	Percent of Total Bonds (%)	Percent of Total Net Assets Attributable to Contractholders (%)	Percent of Total Bonds (%)	Percent of Total Net Assets Attributable to Contractholders (%)
AAA	3.8	1.2	4.0	1.2
AA	36.9	11.5	38.9	11.6
A	39.0	12.2	41.6	12.4
BBB	20.0	6.3	15.5	4.6
BB and lower	0.3	0.1	—	—
Total	100.0	31.3	100.0	29.8

Balanced Fund (BG) SF552

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

F. Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. The Fund Manager moderates this risk through careful selection of securities and other financial instruments within the parameters of the investment strategy. The maximum risk resulting from financial instruments is equivalent to their fair value.

For the Fund, the most significant exposure to other price risk arises from its investment in equity securities. As at December 31, 2023, had the prices on the respective stock exchanges for these securities increased or decreased by 1%, with all other variables held constant, assets would have increased (or decreased) by approximately \$4,006 (\$3,253 at December 31, 2022) or approximately 0.7% (0.7% at December 31, 2022) of total net assets attributable to contractholders. In practice, the actual results may differ and the difference could be significant.

G. Fair Value Classification

The following table presents information about the Fund's assets measured at fair value on a recurring basis and indicates the fair value hierarchy of the valuation techniques utilized by the Fund to determine such fair value:

	2023			
	Assets Measured at Fair Value			
<u>Assets measured at fair value</u>	Level 1	Level 2	Level 3	Total
Bonds	\$ —	\$ 188,724	\$ —	\$ 188,724
Stocks	400,634	—	—	400,634
Total assets measured at fair value	\$ 400,634	\$ 188,724	\$ —	\$ 589,358

	2022			
	Assets Measured at Fair Value			
<u>Assets measured at fair value</u>	Level 1	Level 2	Level 3	Total
Bonds	\$ —	\$ 146,812	\$ —	\$ 146,812
Stocks	325,292	—	—	325,292
Total assets measured at fair value	\$ 325,292	\$ 146,812	\$ —	\$ 472,104

There were no significant transfers between Level 1 and Level 2 during 2023 or 2022.

Balanced Fund (BG) SF552

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Net Assets Attributable to Contractholders by Category

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
75/75 guarantee policy	5,451,335	4,939,779	3,600,465	1,888,135	601,662	64,188	54,950	41,752	19,876	6,059
75/100 guarantee policy	24,089,404	20,914,351	14,751,534	7,200,584	1,566,325	281,039	231,028	170,251	75,605	15,767
100/100 guarantee policy	375,686	388,775	316,769	151,312	33,894	4,355	4,274	3,644	1,586	341
PS1 75/75 guarantee policy	3,330,026	2,886,868	1,746,882	804,071	187,575	39,787	32,471	20,411	8,498	1,890
PS1 75/100 guarantee policy	11,373,982	9,133,416	7,890,737	2,623,094	519,254	134,955	102,192	91,866	27,670	5,230
PS1 100/100 guarantee policy	268,088	200,814	142,152	50,012	19,063	3,152	2,231	1,647	526	192
PS2 75/75 guarantee policy	311,494	350,412	344,828	274,643	160,638	4,101	4,242	4,236	2,981	1,624
PS2 75/100 guarantee policy	1,762,884	1,762,044	1,435,355	699,232	242,107	23,207	21,331	17,632	7,590	2,448
PS 75/75 guarantee policy	308,796	269,469	177,298	100,874	38,687	3,808	3,105	2,106	1,075	390
PS 75/100 guarantee policy	2,268,857	1,909,066	1,415,521	463,030	79,391	27,720	21,839	16,731	4,924	801
PPS 75/75 guarantee policy	695,651	512,041	352,276	108,855	26,303	8,704	5,965	4,215	1,165	266
PPS 75/100 guarantee policy	608,554	700,343	409,428	226,700	43,200	7,562	8,115	4,882	2,422	436
PPS 100/100 guarantee policy	384	898	—	—	—	5	10	—	—	—

Net Assets Attributable to Contractholders Per Unit (note 6)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
75/75 guarantee policy	11.77	11.12	11.60	10.53	10.07	0.65	(0.48)
75/100 guarantee policy	11.67	11.05	11.54	10.50	10.07	0.62	(0.49)
100/100 guarantee policy	11.59	10.99	11.50	10.48	10.06	0.60	(0.51)
PS1 75/75 guarantee policy	11.95	11.25	11.68	10.57	10.08	0.70	(0.43)
PS1 75/100 guarantee policy	11.87	11.19	11.64	10.55	10.07	0.68	(0.45)
PS1 100/100 guarantee policy	11.76	11.11	11.59	10.52	10.07	0.65	(0.48)
PS2 75/75 guarantee policy	13.16	12.11	12.28	10.85	10.11	1.05	(0.17)
PS2 75/100 guarantee policy	13.16	12.11	12.28	10.85	10.11	1.05	(0.17)
PS 75/75 guarantee policy	12.33	11.52	11.88	10.66	10.09	0.81	(0.36)
PS 75/100 guarantee policy	12.22	11.44	11.82	10.63	10.08	0.78	(0.38)
PPS 75/75 guarantee policy	12.51	11.65	11.97	10.70	10.09	0.86	(0.32)
PPS 75/100 guarantee policy	12.43	11.59	11.92	10.68	10.09	0.84	(0.33)
PPS 100/100 guarantee policy	12.31	11.50	—	—	—	0.81	(0.36)

Balanced Fund (BG) SF552

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Fund is offered by The Canada Life Assurance Company.

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

Balanced Fund (BG) SF552

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

Balanced Fund (BG) SF552

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in fair value measurements in the notes to the Schedule of Investment Portfolio.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

Balanced Fund (BG) SF552

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Bonds and Stocks

Bonds and stocks are recorded at fair value determined with reference to closing quoted market prices, where the last traded price falls within the day's bid-ask spread, primarily provided by third party independent pricing sources. Fair values are determined on the basis of the closing price for a security on the recognized exchange on which it is principally traded at each reporting date. In circumstances where the last traded price is not within the bid-ask spread, the Company determines the point when the bid-ask spread that is most representative of fair value based on the specific facts and circumstances.

The fair value of unlisted securities is established using quotations determined by a major dealer in a particular security. Should the quoted value for a security, in the opinion of the Fund Manager, be inaccurate, unreliable, or not readily available, the value of the security is estimated using valuation techniques. Valuation techniques include the market approach (using recent arm's-length market transactions adjusted as necessary and reference to the current market value of another instrument that is substantially the same) and the income approach (discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible).

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

Interest income on debt securities - included in the change in fair value of such investments and recorded on the accrual basis.

Dividend income - accrued as of the ex-dividend date and recorded on the accrual basis.

Balanced Fund (BG) SF552

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

Miscellaneous income (loss)

Miscellaneous income (loss) generally includes the changes in foreign exchange rates between trade and settlement dates, foreign exchange rates on bank balances, securities lending income, derivative income, and management fee rebates.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

Balanced Fund (BG) SF552

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

k) Income Allocation

Net gain (loss) on investments, which includes dividend income, interest income, realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the net asset value (NAV) per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

m) Transaction Costs

Transaction costs, such as brokerage commissions, incurred in the purchase and sale of securities by the Fund are charged to expenses in the year.

Balanced Fund (BG) SF552

Notes to the Financial Statements

(in Canadian \$ thousands)

3. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Emperor,
- Flex,
- Generations/Mosaic,
- Generations I,
- Generations II,
- Generations Core,
- Prestige/Prestige Plus, and
- Private Collections.

In addition to the Individual units, units are available for:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

The categories of units are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

Balanced Fund (BG) SF552

Notes to the Financial Statements

(in Canadian \$ thousands)

4. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

5. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

6. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

The NAV per unit for group contractholders has not been shown because it will vary for each sub-class within the group contractholder class based on negotiated expense levels and other factors.

Balanced Fund (BG) SF552

Notes to the Financial Statements

(in Canadian \$ thousands)

7. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.

Balanced Fund (BG) SF552

Supplemental Information (unaudited)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾

For the years ended December 31	2023	2022	2021	2020	2019
75/75 guarantee policy	2.70	2.69	2.68	2.64	2.65
75/100 guarantee policy	2.92	2.91	2.91	2.85	2.87
100/100 guarantee policy	3.08	3.07	3.06	3.01	3.02
PS1 75/75 guarantee policy	2.34	2.33	2.33	2.29	2.30
PS1 75/100 guarantee policy	2.51	2.51	2.49	2.45	2.47
PS1 100/100 guarantee policy	2.73	2.73	2.74	2.68	2.69
PS 75/75 guarantee policy	1.58	1.57	1.57	1.55	1.55
PS 75/100 guarantee policy	1.80	1.80	1.79	1.76	1.77
PPS 75/75 guarantee policy	1.23	1.22	1.22	1.20	1.21
PPS 75/100 guarantee policy	1.40	1.39	1.39	1.36	1.37
PPS 100/100 guarantee policy	1.60	1.61	—	—	—

Portfolio Turnover Rate (%) ⁽²⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	40.10	47.03	63.21	94.47	2.26

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
CANADIAN EQUITY FUND (BG) SF553

December 31, 2023

Independent Auditor's Report

To the Contractholders of Canadian Equity Fund (BG) SF553 (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

Canadian Equity Fund (BG) SF553

(in Canadian \$ thousands)

Fund Manager: Beutel, Goodman & Company Ltd.

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ 4,235	\$ 6,690
Investment income due and accrued	388	342
Due from The Canada Life Assurance Company (note 7)	50	212
Due from brokers	—	6
Due from outside parties	—	—
Investments		
Bonds	—	—
Stocks	237,532	192,332
Investment fund units	—	—
Total investments	237,532	192,332
Total assets	\$ 242,205	\$ 199,582
Liabilities		
Overdrafts	\$ —	\$ —
Due to The Canada Life Assurance Company (note 7)	—	—
Due to brokers	—	2,451
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	—	2,451
Net assets attributable to contractholders	\$ 242,205	\$ 197,131

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 20,283	\$ 3,418
Miscellaneous income (loss)	14	(1)
Total income (loss)	20,297	3,417
Expenses		
Management fees (note 7)	4,802	3,242
Transaction costs	26	50
Withholding taxes	199	142
Other	575	376
Total expenses	5,602	3,810
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 14,695	\$ (393)

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year		
	\$ 197,131	\$ 115,490
Contractholder deposits	54,238	95,443
Contractholder withdrawals	(23,859)	(13,409)
Increase (decrease) in net assets from operations attributable to contractholders	14,695	(393)
Change in net assets attributable to contractholders	45,074	81,641
Net assets attributable to contractholders - end of year	\$ 242,205	\$ 197,131

Canadian Equity Fund (BG) SF553

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 14,695	\$ (393)
Adjustments		
Realized (gains) losses	(1,070)	(3,300)
Unrealized (gains) losses	(12,461)	4,203
Gross proceeds of disposition of investments	21,635	34,141
Gross payments for the purchase of investments	(53,304)	(114,480)
Change in investment income due and accrued	(46)	(125)
Change in due from/to The Canada Life Assurance Company	162	29
Change in due from/to brokers	(2,445)	2,500
Change in due from/to outside parties	—	—
	<u>(32,834)</u>	<u>(77,425)</u>
Financing Activities		
Contractholder deposits	54,238	95,443
Contractholder withdrawals	(23,859)	(13,409)
	<u>30,379</u>	<u>82,034</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	(2,455)	4,609
Cash, short-term deposits and overdrafts, beginning of year	6,690	2,081
Cash, short-term deposits and overdrafts, end of year	\$ 4,235	\$ 6,690
Supplementary cash flow information		
Dividend income received	\$ 6,495	\$ 4,126

Canadian Equity Fund (BG) SF553

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or Par Value	Average Cost	Fair Value
Canadian Common Stock			
Communication Services			
Quebecor Media Inc. Class B sub. voting	108,695	3,266	3,426
Rogers Communications Inc. Class B non-voting	115,590	7,061	7,170
Consumer Discretionary			
BRP Inc.	40,255	4,018	3,817
Canadian Tire Corp. Ltd. Class A non-voting	22,690	3,699	3,193
Magna International Inc.	81,940	6,853	6,415
Restaurant Brands International Inc.	62,470	4,885	6,468
Consumer Staples			
Alimentation Couche-Tard Inc.	70,935	3,726	5,535
George Weston Ltd.	19,585	2,694	3,222
Loblaw Companies Ltd.	12,745	1,391	1,635
Metro Inc.	65,265	4,315	4,477
Saputo Inc.	141,880	4,659	3,807
Energy			
Hydro One Ltd.	37,350	1,191	1,483
Suncor Energy Inc.	138,485	5,192	5,879
TC Energy Corp.	137,620	8,206	7,123
Financials			
Bank of Montreal	58,085	7,181	7,616
Brookfield Asset Management Inc. Class A	73,325	3,313	3,902
Brookfield Corp.	100,815	4,974	5,358
Manulife Financial Corp.	251,810	6,269	7,373
Royal Bank of Canada	111,445	14,158	14,933
Sun Life Financial Inc.	97,685	6,192	6,713
The Bank of Nova Scotia	36,415	2,614	2,349
The Toronto-Dominion Bank	147,425	12,414	12,622
Industrials			
CAE Inc.	126,810	3,944	3,627
Canadian National Railway Co.	47,750	7,132	7,953
Canadian Pacific Kansas City Ltd.	51,925	4,906	5,444
RB Global Inc.	71,675	5,615	6,355

Canadian Equity Fund (BG) SF553

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or Par Value	Average Cost	Fair Value
Canadian Common Stock (continued)			
Information Technology			
CGI Group Inc. Class A sub. voting	26,955	2,949	3,826
Open Text Corp.	88,360	4,620	4,921
Materials			
CCL Industries Inc. Class B non-voting	81,975	4,978	4,885
Franco-Nevada Corp.	8,655	1,517	1,270
Nutrien Ltd.	42,405	3,706	3,166
Real Estate			
Colliers International Group Inc.	17,680	2,546	2,963
Utilities			
Fortis Inc.	96,295	5,415	5,249
Total Canadian Common Stock		165,599	174,175
United States Common Stock			
Communication Services			
Comcast Corp. Class A	33,105	1,892	1,923
Omnicom Group Inc.	23,570	2,266	2,702
The Interpublic Group of Companies Inc.	44,685	1,919	1,933
Consumer Discretionary			
eBay Inc.	28,885	1,994	1,669
Gentex Corp.	37,710	1,522	1,632
Harley-Davidson Inc.	46,970	2,302	2,293
Polaris Inc.	13,595	2,018	1,707
Tempur Sealy International Inc.	28,905	1,114	1,952
Consumer Staples			
Campbell Soup Co.	32,400	1,968	1,856
Kellanova	28,880	2,267	2,140
Kimberly-Clark Corp.	13,835	2,353	2,227
WK Kellogg Co.	6,120	127	107
Financials			
American Express Co.	12,460	2,509	3,093

Canadian Equity Fund (BG) SF553

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or Par Value	Average Cost	Fair Value
United States Common Stock (continued)			
Financials (continued)			
Ameriprise Financial Inc.	4,505	1,584	2,267
BlackRock Inc.	2,070	1,751	2,227
SEI Investments Co.	25,160	1,894	2,119
The Carlyle Group Inc.	26,260	1,145	1,416
Health Care			
Amgen Inc.	9,060	2,774	3,458
Biogen Inc.	6,115	2,021	2,097
Cencora Inc.	4,160	732	1,132
Merck & Co. Inc.	14,870	1,752	2,148
Industrials			
Cummins Inc.	5,665	1,618	1,798
Flowserve Corp.	42,075	1,844	2,298
Masco Corp.	27,245	1,799	2,418
Parker Hannifin Corp.	1,575	581	961
Wabtec Corp.	10,160	1,157	1,708
Information Technology			
Gen Digital Inc.	80,905	2,418	2,446
NetApp Inc.	27,120	2,467	3,168
Qualcomm Inc.	16,755	2,650	3,211
Materials			
PPG Industries Inc.	2,525	443	500
Total United States Common Stock		52,881	60,606

Canadian Equity Fund (BG) SF553

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or <u>Par Value</u>	Average <u>Cost</u>	Fair <u>Value</u>
Global Common Stock			
Guernsey			
Amdocs Ltd.	23,625	2,446	2,751
Total Global Common Stock		2,446	2,751
Total Stocks		220,926	237,532
Transaction Costs (note 2)		(59)	
Total Investments		220,867	237,532

Canadian Equity Fund (BG) SF553

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

Introduction

The objective of the Canadian Equity Fund (BG) SF553 (the Fund) in managing risk is the creation and protection of contractholder value. Risk is inherent in the Fund's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. The process of risk management is critical to the Fund's continuing profitability. The Fund can be exposed to liquidity risk, market risk (which includes currency risk, interest rate risk and other price risk) and credit risk arising from the financial instruments it holds.

A. Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023, and groups the securities by asset type, geographic region and/or market segment. The following sections describe the significant risks that are relevant to the Fund.

To assist with managing risk, The Canada Life Assurance Company (Canada Life or the Company) maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and other regulations.

B. Liquidity Risk

Liquidity risk arises when a fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units by contractholders. The Fund retains sufficient cash and cash equivalent positions to maintain adequate liquidity to meet the obligation to fund daily cash redemptions of their redeemable units.

Some securities are illiquid due to legal restrictions on their resale, the nature of the investment, or simply a lack of interested buyers for a particular security or security type. Certain securities may become less liquid due to changes in market conditions, such as interest rate changes or market volatility, which could impair the ability of a fund to sell such securities quickly.

In accordance with the Fund's policy, the Company monitors the Fund's liquidity positions on a regular basis.

C. Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The classifications used on the Schedule of Investment Portfolio for the financial instruments are based on the country of issue.

Canadian Equity Fund (BG) SF553

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

C. Currency Risk (continued)

The table below indicates the foreign currencies to which the Fund had significant exposure as at December 31, 2023 in Canadian dollar terms, including the underlying principal amount of forward currency contracts, if any. The table also illustrates the potential impact to the Fund's net assets attributable to contractholders, all other variables held constant, as a result of a 1% change in these currencies relative to the Canadian dollar. In practice, the actual results may differ from this sensitivity analysis and the difference could be significant.

2023

Currency	Investments	Cash, Short-term Deposits and Overdrafts	Total*	Impact on Net Assets Attributable to Contractholders
United States Dollar	\$ 63,357	\$ 47	\$ 63,404	\$ 634
Total	\$ 63,357	\$ 47	\$ 63,404	\$ 634
As Percent of Net Assets Attributable to Contractholders			26.2%	0.3%

**Includes both monetary and non-monetary instruments*

2022

Currency	Investments	Cash, Short-term Deposits and Overdrafts	Total*	Impact on Net Assets Attributable to Contractholders
United States Dollar	\$ 51,826	\$ 21	\$ 51,847	\$ 518
Total	\$ 51,826	\$ 21	\$ 51,847	\$ 518
As Percent of Net Assets Attributable to Contractholders			26.3%	0.3%

**Includes both monetary and non-monetary instruments*

D. Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. The Fund Manager moderates this risk through careful selection of securities and other financial instruments within the parameters of the investment strategy. The maximum risk resulting from financial instruments is equivalent to their fair value.

For the Fund, the most significant exposure to other price risk arises from its investment in equity securities. As at December 31, 2023, had the prices on the respective stock exchanges for these securities increased or decreased by 1%, with all other variables held constant, assets would have increased (or decreased) by approximately \$2,375 (\$1,923 at December 31, 2022) or approximately 1.0% (1.0% at December 31, 2022) of total net assets attributable to contractholders. In practice, the actual results may differ and the difference could be significant.

Canadian Equity Fund (BG) SF553

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

E. Fair Value Classification

The following table presents information about the Fund's assets measured at fair value on a recurring basis and indicates the fair value hierarchy of the valuation techniques utilized by the Fund to determine such fair value:

<u>Assets measured at fair value</u>	2023			
	Assets Measured at Fair Value			
	Level 1	Level 2	Level 3	Total
Stocks	\$ 237,532	\$ —	\$ —	\$ 237,532
Total assets measured at fair value	\$ 237,532	\$ —	\$ —	\$ 237,532

<u>Assets measured at fair value</u>	2022			
	Assets Measured at Fair Value			
	Level 1	Level 2	Level 3	Total
Stocks	\$ 192,332	\$ —	\$ —	\$ 192,332
Total assets measured at fair value	\$ 192,332	\$ —	\$ —	\$ 192,332

There were no significant transfers between Level 1 and Level 2 during 2023 or 2022.

Canadian Equity Fund (BG) SF553

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Net Assets Attributable to Contractholders by Category

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
75/75 guarantee policy	2,397,433	2,183,981	1,282,657	517,693	136,341	30,587	26,200	15,527	5,260	1,368
75/100 guarantee policy	5,329,186	4,567,391	2,558,303	825,893	108,145	67,399	54,430	30,830	8,371	1,085
100/100 guarantee policy	172,946	120,706	57,909	21,743	—	2,153	1,421	692	219	—
PS1 75/75 guarantee policy	1,873,262	1,420,602	1,014,218	293,368	74,112	24,307	17,262	12,385	2,994	744
PS1 75/100 guarantee policy	6,023,173	4,730,315	2,482,206	656,270	182,118	77,437	57,078	30,168	6,682	1,828
PS1 100/100 guarantee policy	65,658	71,221	53,677	380	—	833	850	648	4	—
PS2 75/75 guarantee policy	451,111	811,683	435,337	188,395	42,901	6,464	10,633	5,596	1,976	433
PS2 75/100 guarantee policy	736,936	712,965	486,896	216,536	83,853	10,559	9,339	6,258	2,271	845
PS2 100/100 guarantee policy	11,218	—	—	—	—	161	—	—	—	—
PS 75/75 guarantee policy	227,595	215,424	153,090	45,098	9,249	3,041	2,676	1,898	464	93
PS 75/100 guarantee policy	291,882	254,488	163,484	56,381	12,766	3,866	3,141	2,018	579	128
PS 100/100 guarantee policy	1,556	1,565	1,573	—	—	20	19	19	—	—
PPS 75/75 guarantee policy	484,637	479,969	348,887	70,674	32,442	6,585	6,040	4,363	731	327
PPS 75/100 guarantee policy	633,278	623,416	399,650	60,130	21,976	8,526	7,790	4,974	620	221
PPS 100/100 guarantee policy	20,133	20,384	9,194	354	—	267	252	114	4	—

Net Assets Attributable to Contractholders Per Unit (note 6)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
75/75 guarantee policy	12.76	12.00	12.11	10.16	10.04	0.76	(0.11)
75/100 guarantee policy	12.65	11.92	12.05	10.14	10.03	0.73	(0.13)
100/100 guarantee policy	12.45	11.78	11.95	10.09	—	0.67	(0.17)
PS1 75/75 guarantee policy	12.98	12.15	12.21	10.21	10.04	0.83	(0.06)
PS1 75/100 guarantee policy	12.86	12.07	12.15	10.18	10.04	0.79	(0.08)
PS1 100/100 guarantee policy	12.68	11.94	12.07	10.14	—	0.74	(0.13)
PS2 75/75 guarantee policy	14.33	13.10	12.85	10.49	10.08	1.23	0.25
PS2 75/100 guarantee policy	14.33	13.10	12.85	10.49	10.08	1.23	0.25
PS2 100/100 guarantee policy	14.33	—	—	—	—	1.23	—
PS 75/75 guarantee policy	13.36	12.42	12.40	10.29	10.05	0.94	0.02
PS 75/100 guarantee policy	13.24	12.34	12.34	10.26	10.05	0.90	—
PS 100/100 guarantee policy	13.04	12.19	12.24	—	—	0.85	(0.05)
PPS 75/75 guarantee policy	13.59	12.58	12.51	10.34	10.06	1.01	0.07
PPS 75/100 guarantee policy	13.46	12.50	12.45	10.31	10.06	0.96	0.05
PPS 100/100 guarantee policy	13.28	12.37	12.36	10.27	—	0.91	0.01

Canadian Equity Fund (BG) SF553

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Fund is offered by The Canada Life Assurance Company.

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

Canadian Equity Fund (BG) SF553

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

Canadian Equity Fund (BG) SF553

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in fair value measurements in the notes to the Schedule of Investment Portfolio.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

Canadian Equity Fund (BG) SF553

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) **Stocks**

Stocks are recorded at fair value determined with reference to closing quoted market prices, where the last traded price falls within the day's bid-ask spread, primarily provided by third party independent pricing sources. Fair values are determined on the basis of the closing price for a security on the recognized exchange on which it is principally traded at each reporting date. In circumstances where the last traded price is not within the bid-ask spread, the Company determines the point when the bid-ask spread that is most representative of fair value based on the specific facts and circumstances.

The fair value of unlisted securities is established using quotations determined by a major dealer in a particular security. Should the quoted value for a security, in the opinion of the Fund Manager, be inaccurate, unreliable, or not readily available, the value of the security is estimated using valuation techniques. Valuation techniques include the market approach (using recent arm's-length market transactions adjusted as necessary and reference to the current market value of another instrument that is substantially the same) and the income approach (discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible).

d) **Cash, Short-term Deposits and Overdrafts**

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) **Classification of Units Issued by the Fund**

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) **Recognition of Investments and Income**

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

Dividend income - accrued as of the ex-dividend date and recorded on the accrual basis.

Canadian Equity Fund (BG) SF553

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

Miscellaneous income (loss)

Miscellaneous income (loss) generally includes the changes in foreign exchange rates between trade and settlement dates, foreign exchange rates on bank balances, securities lending income, derivative income, and management fee rebates.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

Canadian Equity Fund (BG) SF553

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

k) Income Allocation

Net gain (loss) on investments, which includes dividend income, realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the net asset value (NAV) per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

m) Transaction Costs

Transaction costs, such as brokerage commissions, incurred in the purchase and sale of securities by the Fund are charged to expenses in the year.

Canadian Equity Fund (BG) SF553

Notes to the Financial Statements

(in Canadian \$ thousands)

3. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Emperor,
- Flex,
- Generations/Mosaic,
- Generations I,
- Generations II,
- Generations Core,
- Prestige/Prestige Plus, and
- Private Collections.

In addition to the Individual units, units are available for:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

The categories of units are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

Canadian Equity Fund (BG) SF553

Notes to the Financial Statements

(in Canadian \$ thousands)

4. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

5. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

6. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

The NAV per unit for group contractholders has not been shown because it will vary for each sub-class within the group contractholder class based on negotiated expense levels and other factors.

Canadian Equity Fund (BG) SF553

Notes to the Financial Statements

(in Canadian \$ thousands)

7. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.

Canadian Equity Fund (BG) SF553

Supplemental Information *(unaudited)*

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾

For the years ended December 31	2023	2022	2021	2020	2019
75/75 guarantee policy	2.81	2.79	2.79	2.75	2.76
75/100 guarantee policy	3.02	3.02	3.02	2.95	2.97
100/100 guarantee policy	3.40	3.40	3.40	3.34	—
PS1 75/75 guarantee policy	2.40	2.39	2.40	2.35	2.36
PS1 75/100 guarantee policy	2.62	2.62	2.62	2.56	2.58
PS1 100/100 guarantee policy	2.96	2.94	2.96	2.91	—
PS 75/75 guarantee policy	1.69	1.68	1.68	1.65	1.66
PS 75/100 guarantee policy	1.90	1.89	1.89	1.86	1.87
PS 100/100 guarantee policy	2.28	2.28	2.28	—	—
PPS 75/75 guarantee policy	1.28	1.28	1.27	1.26	1.26
PPS 75/100 guarantee policy	1.51	1.50	1.49	1.47	1.48
PPS 100/100 guarantee policy	1.84	1.82	1.84	1.81	—

Portfolio Turnover Rate (%) ⁽²⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	10.08	22.72	22.45	27.09	0.13

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
CANADIAN LOW VOL EQUITY FUND (LC) SF554

December 31, 2023

Independent Auditor's Report

To the Contractholders of Canadian Low Vol Equity Fund (LC) SF554 (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

Canadian Low Vol Equity Fund (LC) SF554

(in Canadian \$ thousands)

Fund Manager: Mackenzie Investments

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ 206	\$ 48
Investment income due and accrued	21	52
Due from The Canada Life Assurance Company (note 7)	—	12
Due from brokers	26	—
Due from outside parties	—	—
Investments		
Bonds	—	—
Stocks	9,318	19,757
Investment fund units	—	—
Total investments	9,318	19,757
Total assets	\$ 9,571	\$ 19,869
Liabilities		
Overdrafts	\$ —	\$ —
Due to The Canada Life Assurance Company (note 7)	—	—
Due to brokers	12	41
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	12	41
Net assets attributable to contractholders	\$ 9,559	\$ 19,828

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 1,570	\$ (117)
Miscellaneous income (loss)	4	6
Total income (loss)	1,574	(111)
Expenses		
Management fees (note 7)	206	138
Transaction costs	21	25
Withholding taxes	—	—
Other	23	16
Total expenses	250	179
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 1,324	\$ (290)

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year	\$ 19,828	\$ 14,413
Contractholder deposits	2,894	7,883
Contractholder withdrawals	(14,487)	(2,178)
Increase (decrease) in net assets from operations attributable to contractholders	1,324	(290)
Change in net assets attributable to contractholders	(10,269)	5,415
Net assets attributable to contractholders - end of year	\$ 9,559	\$ 19,828

Canadian Low Vol Equity Fund (LC) SF554

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 1,324	\$ (290)
Adjustments		
Realized (gains) losses	(1,021)	(146)
Unrealized (gains) losses	(133)	830
Gross proceeds of disposition of investments	22,006	18,220
Gross payments for the purchase of investments	(10,413)	(24,326)
Change in investment income due and accrued	31	(12)
Change in due from/to The Canada Life Assurance Company	12	(4)
Change in due from/to brokers	(55)	29
Change in due from/to outside parties	—	—
	<u>11,751</u>	<u>(5,699)</u>
Financing Activities		
Contractholder deposits	2,894	7,883
Contractholder withdrawals	(14,487)	(2,178)
	<u>(11,593)</u>	<u>5,705</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	158	6
Cash, short-term deposits and overdrafts, beginning of year	48	42
Cash, short-term deposits and overdrafts, end of year	\$ 206	\$ 48
Supplementary cash flow information		
Dividend income received	\$ 443	\$ 555

Canadian Low Vol Equity Fund (LC) SF554

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or Par Value	Average Cost	Fair Value
Canadian Common Stock			
Communication Services			
BCE Inc.	4,342	269	227
Cineplex Inc.	3,417	31	29
Corus Entertainment Inc. Class B non-voting	14,328	11	10
Rogers Communications Inc. Class B non-voting	1,023	60	63
TELUS Corp.	7,803	217	184
Consumer Discretionary			
Dollarama Inc.	2,031	171	194
Restaurant Brands International Inc.	482	41	50
Consumer Staples			
Alimentation Couche-Tard Inc.	335	26	26
Empire Co. Ltd. Class A non-voting	3,232	123	113
George Weston Ltd.	627	81	103
Loblaw Companies Ltd.	1,675	157	215
Metro Inc.	3,417	213	234
Saputo Inc.	110	3	3
Energy			
CES Energy Solutions Corp.	8,529	30	29
Crescent Point Energy Corp.	13,949	128	128
Enbridge Inc.	5,139	263	245
Hydro One Ltd.	6,169	194	245
Imperial Oil Ltd.	1,250	80	94
Keyera Corp.	1,880	60	60
Mattr Corp.	4,396	77	67
MEG Energy Corp.	2,534	66	60
North American Construction Group Ltd.	1,234	36	34
Obsidian Energy Ltd.	5,157	57	46
Parkland Corp. of Canada	1,089	41	47
Pembina Pipeline Corp.	5,938	295	271
Secure Energy Services Inc.	3,162	26	30
Suncor Energy Inc.	1,001	45	42
TC Energy Corp.	2,032	118	105
Trican Well Service Ltd.	3,116	14	13

Canadian Low Vol Equity Fund (LC) SF554

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or <u>Par Value</u>	Average <u>Cost</u>	Fair <u>Value</u>
Canadian Common Stock (continued)			
Financials			
AGF Management Ltd. Class B non-voting	1,854	14	14
Bank of Montreal	1,863	222	244
Canadian Imperial Bank of Commerce	2,937	202	187
CI Financial Corp.	3,749	54	56
Fairfax Financial Holdings Ltd. sub. voting	195	127	238
Intact Financial Corp.	1,688	302	345
Manulife Financial Corp.	8,905	221	261
National Bank of Canada	859	83	87
Onex Corp. sub. voting	663	61	61
Royal Bank of Canada	2,053	275	275
Sun Life Financial Inc.	5,731	381	395
The Bank of Nova Scotia	3,811	254	246
The Toronto-Dominion Bank	3,092	278	265
Thomson Reuters Corp.	1,570	220	305
TMX Group Ltd.	6,882	193	221
Health Care			
Bausch Health Co. Inc.	812	8	9
Extendicare Inc.	929	7	7
Well Health Technologies Corp.	4,509	24	17
Industrials			
AG Growth International Inc.	530	28	27
Badger Infrastructure Solutions Ltd.	918	37	37
Bird Construction Inc.	1,408	16	20
Canadian National Railway Co.	1,509	225	251
Canadian Pacific Kansas City Ltd.	1,785	183	187
Doman Building Materials Group Ltd.	1,688	13	14
Hammond Power Solutions Inc.	294	22	24
NFI Group Inc.	2,975	39	41
RB Global Inc.	238	19	21
SNC-Lavalin Group Inc.	748	26	32
Stantec Inc.	1,219	111	130
Toromont Industries Ltd.	607	61	70
Wajax Corp.	767	21	23
WSP Global Inc.	146	27	27

Canadian Low Vol Equity Fund (LC) SF554

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or <u>Par Value</u>	Average <u>Cost</u>	Fair <u>Value</u>
Canadian Common Stock (continued)			
Information Technology			
Celestica Inc.	3,232	97	125
CGI Group Inc. Class A sub. voting	1,764	212	250
Computer Modelling Group Ltd.	1,644	16	17
Constellation Software Inc.	52	120	171
Converge Technology Solutions Corp.	7,450	31	31
Docebo Inc.	1,013	61	65
Open Text Corp.	2,986	163	166
The Descartes Systems Group Inc.	620	65	69
Materials			
Agnico Eagle Mines Ltd.	649	46	47
Aris Mining Corp.	639	3	3
Barrick Gold Corp.	6,658	162	159
Cascades Inc.	2,340	28	30
CCL Industries Inc. Class B non-voting	1,255	80	75
Dundee Precious Metals Inc.	5,000	44	42
Eldorado Gold Corp.	2,987	39	51
Equinox Gold Corp.	5,417	35	35
Franco-Nevada Corp.	679	121	100
IAMGOLD Corp.	9,523	37	32
New Gold Inc.	8,073	13	16
Stella-Jones Inc.	1,581	100	122
Torex Gold Resources Inc.	2,832	51	41
Wheaton Precious Metals Corp.	2,095	131	137
Real Estate			
FirstService Corp.	205	42	44
True North Commercial REIT	467	5	5

Canadian Low Vol Equity Fund (LC) SF554

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or <u>Par Value</u>	Average <u>Cost</u>	Fair <u>Value</u>
Canadian Common Stock (continued)			
Utilities			
Canadian Utilities Ltd. Class A non-voting	2,455	94	78
Emera Inc.	1,499	86	75
Fortis Inc.	4,175	237	228
Total Canadian Common Stock		8,806	9,318
Total Stocks		8,806	9,318
Transaction Costs (note 2)		(5)	
Total Investments		8,801	9,318

Canadian Low Vol Equity Fund (LC) SF554

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

Introduction

The objective of the Canadian Low Vol Equity Fund (LC) SF554 (the Fund) in managing risk is the creation and protection of contractholder value. Risk is inherent in the Fund's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. The process of risk management is critical to the Fund's continuing profitability. The Fund can be exposed to liquidity risk, market risk (which includes currency risk, interest rate risk and other price risk) and credit risk arising from the financial instruments it holds.

A. Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023, and groups the securities by asset type, geographic region and/or market segment. The following sections describe the significant risks that are relevant to the Fund.

To assist with managing risk, The Canada Life Assurance Company (Canada Life or the Company) maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and other regulations.

B. Liquidity Risk

Liquidity risk arises when a fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units by contractholders. The Fund retains sufficient cash and cash equivalent positions to maintain adequate liquidity to meet the obligation to fund daily cash redemptions of their redeemable units.

Some securities are illiquid due to legal restrictions on their resale, the nature of the investment, or simply a lack of interested buyers for a particular security or security type. Certain securities may become less liquid due to changes in market conditions, such as interest rate changes or market volatility, which could impair the ability of a fund to sell such securities quickly.

In accordance with the Fund's policy, the Company monitors the Fund's liquidity positions on a regular basis.

C. Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The classifications used on the Schedule of Investment Portfolio for the financial instruments are based on the country of issue.

Canadian Low Vol Equity Fund (LC) SF554

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

C. Currency Risk (continued)

The table below indicates the foreign currencies to which the Fund had significant exposure as at December 31, 2023 in Canadian dollar terms, including the underlying principal amount of forward currency contracts, if any. The table also illustrates the potential impact to the Fund's net assets attributable to contractholders, all other variables held constant, as a result of a 1% change in these currencies relative to the Canadian dollar. In practice, the actual results may differ from this sensitivity analysis and the difference could be significant.

2023

Currency	Investments	Cash, Short-term Deposits and Overdrafts	Total*	Impact on Net Assets Attributable to Contractholders
United States Dollar	\$ —	\$ 18	\$ 18	\$ —
Total	\$ —	\$ 18	\$ 18	\$ —
As Percent of Net Assets Attributable to Contractholders				0.2%
				—%

*Includes both monetary and non-monetary instruments

2022

Currency	Investments	Cash, Short-term Deposits and Overdrafts	Total*	Impact on Net Assets Attributable to Contractholders
United States Dollar	\$ —	\$ 1	\$ 1	\$ —
Total	\$ —	\$ 1	\$ 1	\$ —
As Percent of Net Assets Attributable to Contractholders				—%
				—%

*Includes both monetary and non-monetary instruments

D. Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. The Fund Manager moderates this risk through careful selection of securities and other financial instruments within the parameters of the investment strategy. The maximum risk resulting from financial instruments is equivalent to their fair value.

For the Fund, the most significant exposure to other price risk arises from its investment in equity securities. As at December 31, 2023, had the prices on the respective stock exchanges for these securities increased or decreased by 1%, with all other variables held constant, assets would have increased (or decreased) by approximately \$93 (\$198 at December 31, 2022) or approximately 1.0% (1.0% at December 31, 2022) of total net assets attributable to contractholders. In practice, the actual results may differ and the difference could be significant.

Canadian Low Vol Equity Fund (LC) SF554

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

E. Fair Value Classification

The following table presents information about the Fund's assets measured at fair value on a recurring basis and indicates the fair value hierarchy of the valuation techniques utilized by the Fund to determine such fair value:

<u>Assets measured at fair value</u>	2023			
	Assets Measured at Fair Value			
	Level 1	Level 2	Level 3	Total
Stocks	\$ 9,318	\$ —	\$ —	\$ 9,318
Total assets measured at fair value	\$ 9,318	\$ —	\$ —	\$ 9,318

<u>Assets measured at fair value</u>	2022			
	Assets Measured at Fair Value			
	Level 1	Level 2	Level 3	Total
Stocks	\$ 19,757	\$ —	\$ —	\$ 19,757
Total assets measured at fair value	\$ 19,757	\$ —	\$ —	\$ 19,757

There were no significant transfers between Level 1 and Level 2 during 2023 or 2022.

Canadian Low Vol Equity Fund (LC) SF554

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Net Assets Attributable to Contractholders by Category

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
75/75 guarantee policy	96,093	97,706	37,040	217,115	201,251	1,126	1,089	430	2,093	2,047
75/100 guarantee policy	276,239	227,895	152,331	100,018	6,421	3,206	2,522	1,762	962	65
100/100 guarantee policy	12,778	15,108	6,002	3,818	—	146	165	69	37	—
PS1 75/75 guarantee policy	79,108	76,791	51,822	4,074	—	945	868	608	39	—
PS1 75/100 guarantee policy	292,647	198,845	59,495	25,956	2,660	3,462	2,233	695	251	27
PS1 100/100 guarantee policy	15,549	17,426	13,456	—	—	182	194	156	—	—
PS2 75/75 guarantee policy	407	257	—	—	—	5	3	—	—	—
PS2 75/100 guarantee policy	14,390	14,076	3,890	3,375	—	188	171	48	34	—
PS2 100/100 guarantee policy	—	—	—	68,384	—	—	—	—	680	—
PS 75/75 guarantee policy	604	1,557	—	3,231	—	7	18	—	32	—
PS 75/100 guarantee policy	9,597	12,329	9,175	10,162	—	117	141	109	99	—
PPS 75/100 guarantee policy	14,094	12,626	1,842	1,853	998	175	147	22	18	10

Net Assets Attributable to Contractholders Per Unit (note 6)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
75/75 guarantee policy	11.71	11.15	11.62	9.64	10.17	0.56	(0.47)
75/100 guarantee policy	11.61	11.07	11.57	9.61	10.17	0.54	(0.50)
100/100 guarantee policy	11.45	10.95	11.48	9.58	—	0.50	(0.53)
PS1 75/75 guarantee policy	11.94	11.31	11.74	9.69	—	0.63	(0.43)
PS1 75/100 guarantee policy	11.83	11.23	11.68	9.66	10.17	0.60	(0.45)
PS1 100/100 guarantee policy	11.67	11.11	11.60	—	—	0.56	(0.49)
PS2 75/75 guarantee policy	13.09	12.13	—	—	—	0.96	(0.18)
PS2 75/100 guarantee policy	13.10	12.13	12.31	9.94	—	0.97	(0.18)
PS2 100/100 guarantee policy	—	—	—	9.94	—	—	—
PS 75/75 guarantee policy	12.27	11.54	—	9.76	—	0.73	(0.36)
PS 75/100 guarantee policy	12.15	11.46	11.85	9.74	—	0.69	(0.39)
PPS 75/100 guarantee policy	12.39	11.63	11.96	9.79	10.19	0.76	(0.33)

Canadian Low Vol Equity Fund (LC) SF554

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Fund is offered by The Canada Life Assurance Company.

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

Canadian Low Vol Equity Fund (LC) SF554

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

Canadian Low Vol Equity Fund (LC) SF554

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in fair value measurements in the notes to the Schedule of Investment Portfolio.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

Canadian Low Vol Equity Fund (LC) SF554

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) **Stocks**

Stocks are recorded at fair value determined with reference to closing quoted market prices, where the last traded price falls within the day's bid-ask spread, primarily provided by third party independent pricing sources. Fair values are determined on the basis of the closing price for a security on the recognized exchange on which it is principally traded at each reporting date. In circumstances where the last traded price is not within the bid-ask spread, the Company determines the point when the bid-ask spread that is most representative of fair value based on the specific facts and circumstances.

The fair value of unlisted securities is established using quotations determined by a major dealer in a particular security. Should the quoted value for a security, in the opinion of the Fund Manager, be inaccurate, unreliable, or not readily available, the value of the security is estimated using valuation techniques. Valuation techniques include the market approach (using recent arm's-length market transactions adjusted as necessary and reference to the current market value of another instrument that is substantially the same) and the income approach (discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible).

d) **Cash, Short-term Deposits and Overdrafts**

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) **Classification of Units Issued by the Fund**

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) **Recognition of Investments and Income**

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

Dividend income - accrued as of the ex-dividend date and recorded on the accrual basis.

Canadian Low Vol Equity Fund (LC) SF554

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

Miscellaneous income (loss)

Miscellaneous income (loss) generally includes the changes in foreign exchange rates between trade and settlement dates, foreign exchange rates on bank balances, securities lending income, derivative income, and management fee rebates.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

Canadian Low Vol Equity Fund (LC) SF554

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

k) Income Allocation

Net gain (loss) on investments, which includes dividend income, realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the net asset value (NAV) per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

m) Transaction Costs

Transaction costs, such as brokerage commissions, incurred in the purchase and sale of securities by the Fund are charged to expenses in the year.

Canadian Low Vol Equity Fund (LC) SF554

Notes to the Financial Statements

(in Canadian \$ thousands)

3. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Emperor,
- Flex,
- Generations/Mosaic,
- Generations I,
- Generations II,
- Generations Core,
- Prestige/Prestige Plus, and
- Private Collections.

In addition to the Individual units, units are available for:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

Portfolio units are those units owned by the Asset Allocation Funds. Each Portfolio fund is represented by a separate category.

The categories of units are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

Canadian Low Vol Equity Fund (LC) SF554

Notes to the Financial Statements

(in Canadian \$ thousands)

4. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

5. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

6. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

The NAV per unit for group contractholders has not been shown because it will vary for each sub-class within the group contractholder class based on negotiated expense levels and other factors.

Canadian Low Vol Equity Fund (LC) SF554

Notes to the Financial Statements

(in Canadian \$ thousands)

7. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.
- c) The Fund invests in assets or underlying funds managed by Mackenzie Financial Corporation, which operates as Mackenzie Investments. All investment transactions with the corresponding underlying funds are at quoted market prices.

Canadian Low Vol Equity Fund (LC) SF554

Supplemental Information (unaudited)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾

For the years ended December 31	2023	2022	2021	2020	2019
75/75 guarantee policy	2.68	2.69	2.73	2.65	2.65
75/100 guarantee policy	2.90	2.90	2.93	2.85	2.87
100/100 guarantee policy	3.24	3.25	3.27	3.20	—
PS1 75/75 guarantee policy	2.22	2.22	2.25	2.18	—
PS1 75/100 guarantee policy	2.44	2.45	2.46	2.40	2.41
PS1 100/100 guarantee policy	2.78	2.77	2.81	—	—
PS 75/75 guarantee policy	1.57	1.58	—	1.54	—
PS 75/100 guarantee policy	1.79	1.79	1.82	1.76	—
PPS 75/100 guarantee policy	1.33	1.32	1.35	1.32	1.32

Portfolio Turnover Rate (%) ⁽²⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	81.13	104.59	181.70	48.26	4.55

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
INTERNATIONAL EQUITY FUND (JPM) SF555

December 31, 2023

Independent Auditor's Report

To the Contractholders of International Equity Fund (JPM) SF555 (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

International Equity Fund (JPM) SF555

(in Canadian \$ thousands)

Fund Manager: J.P. Morgan Asset Management

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ 356	\$ 210
Investment income due and accrued	8	4
Due from The Canada Life Assurance Company (note 7)	39	33
Due from brokers	—	—
Due from outside parties	—	—
Investments		
Bonds	—	—
Stocks	13,187	10,777
Investment fund units	—	—
Total investments	13,187	10,777
Total assets	\$ 13,590	\$ 11,024
Liabilities		
Overdrafts	\$ —	\$ —
Due to The Canada Life Assurance Company (note 7)	—	—
Due to brokers	1	—
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	1	—
Net assets attributable to contractholders	\$ 13,589	\$ 11,024

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 1,810	\$ (3,956)
Miscellaneous income (loss)	5	24
Total income (loss)	1,815	(3,932)
Expenses		
Management fees (note 7)	288	245
Transaction costs	13	19
Withholding taxes	45	68
Other	34	29
Total expenses	380	361
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 1,435	\$ (4,293)

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year	\$ 11,024	\$ 23,983
Contractholder deposits	2,718	4,577
Contractholder withdrawals	(1,588)	(13,243)
Increase (decrease) in net assets from operations attributable to contractholders	1,435	(4,293)
Change in net assets attributable to contractholders	2,565	(12,959)
Net assets attributable to contractholders - end of year	\$ 13,589	\$ 11,024

International Equity Fund (JPM) SF555

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 1,435	\$ (4,293)
Adjustments		
Realized (gains) losses	(20)	1,674
Unrealized (gains) losses	(1,427)	2,917
Gross proceeds of disposition of investments	4,499	15,775
Gross payments for the purchase of investments	(5,462)	(7,965)
Change in investment income due and accrued	(4)	3
Change in due from/to The Canada Life Assurance Company	(6)	52
Change in due from/to brokers	1	—
Change in due from/to outside parties	—	—
	<u>(984)</u>	<u>8,163</u>
Financing Activities		
Contractholder deposits	2,718	4,577
Contractholder withdrawals	(1,588)	(13,243)
	<u>1,130</u>	<u>(8,666)</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	146	(503)
Cash, short-term deposits and overdrafts, beginning of year	210	713
Cash, short-term deposits and overdrafts, end of year	\$ 356	\$ 210
Supplementary cash flow information		
Dividend income received	\$ 348	\$ 637

International Equity Fund (JPM) SF555

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or Par Value	Average Cost	Fair Value
Global Common Stock			
Australia			
BHP Group Ltd.	7,034	281	320
Goodman Group REIT	5,538	119	127
Austria			
Erste Group Bank AG	1,635	74	88
Belgium			
KBC Group NV	1,561	149	134
Cayman Islands			
Sands China Ltd.	18,400	92	71
Denmark			
Carlsberg AS	854	167	142
Genmab AS	128	64	54
Novo Nordisk AS	2,171	124	297
France			
Air Liquide SA	1,011	217	260
Capgemini SA	524	112	145
Engie SA	7,044	153	164
L'Oreal SA	251	124	165
LVMH Moet Hennessy Louis Vuitton SE	242	206	260
Pernod Ricard SA *	350	90	82
Safran SA	878	163	205
Sanofi SA	1,037	148	136
Societe Generale SA	2,650	87	93
TotalEnergies SE	2,315	151	209
Vinci SA	1,260	179	209
Germany			
Allianz SE	763	234	270
Deutsche Boerse AG	685	148	187
DHL Group	1,837	118	120
Infineon Technologies AG	2,992	139	165

*The issuer of this security is a related company to the issuer of the Fund.

International Equity Fund (JPM) SF555

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or Par Value	Average Cost	Fair Value
Global Common Stock (continued)			
Germany (continued)			
Muenchener Rueckversicherungs-Gesellschaft AG	280	102	154
RWE AG	3,127	170	188
Hong Kong			
AIA Group Ltd.	14,200	204	164
Techtronic Industries Co. Ltd.	5,000	88	79
India			
HDFC Bank Ltd. ADR	1,520	132	135
Italy			
UniCredit SPA	5,350	157	192
Japan			
Ajinomoto Co. Inc.	1,300	70	66
Bridgestone Corp.	2,800	139	154
Daikin Industries Ltd.	800	190	173
Hitachi Ltd.	1,900	174	182
Hoya Corp.	1,200	177	199
Keyence Corp.	400	241	233
Mitsubishi UFJ Financial Group Inc.	11,900	109	135
Nippon Telegraph & Telephone Corp.	134,200	201	217
Recruit Holdings Co. Ltd.	2,600	137	146
Seven & i Holdings Co. Ltd.	2,100	123	110
Shimano Inc.	700	150	144
Shin-Etsu Chemical Co. Ltd.	5,700	219	317
SMC Corp.	200	140	142
Sony Group Corp.	1,800	217	227
Terumo Corp.	3,000	130	130
Tokio Marine Holdings Inc.	5,600	143	186
Tokyo Electron Ltd.	600	81	142
Jersey			
Ferguson PLC	434	70	110
Netherlands			
Airbus SE	718	128	147

International Equity Fund (JPM) SF555

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or Par Value	Average Cost	Fair Value
Global Common Stock (continued)			
Netherlands (continued)			
ASML Holding NV	434	311	432
Stellantis NV	4,270	90	132
Singapore			
DBS Group Holdings Ltd.	6,500	183	218
South Korea			
Samsung Electronics Co. Ltd. GDR	88	159	175
Spain			
Iberdrola SA	7,986	112	139
Industria de Diseno Textil SA	3,505	163	202
Sweden			
Atlas Copco AB Class A	6,859	112	156
Sandvik AB	4,184	107	120
Svenska Handelsbanken AB Class A	8,125	108	117
Volvo AB Series B	6,570	178	226
Switzerland			
Compagnie Financiere Richemont SA	710	152	129
Nestle SA	2,570	391	395
Roche Holding AG	679	327	261
Taiwan			
Taiwan Semiconductor Manufacturing Co. Ltd. ADR	999	122	138
United Kingdom			
3i Group PLC	5,686	165	232
AstraZeneca PLC	1,583	266	283
BP PLC	28,435	249	224
Diageo PLC	2,959	167	143
InterContinental Hotels Group PLC	1,406	148	168
Lloyds Banking Group PLC	231,565	194	186
London Stock Exchange Group PLC	1,145	151	179
Next PLC	911	118	125
Prudential PLC	7,341	164	110

International Equity Fund (JPM) SF555

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or <u>Par Value</u>	Average <u>Cost</u>	Fair <u>Value</u>
Global Common Stock (continued)			
United Kingdom (continued)			
RELX PLC	4,069	142	213
Shell PLC	9,598	351	417
SSE PLC	2,922	92	92
Total Global Common Stock		11,753	13,187
Total Stocks		11,753	13,187
Transaction Costs (note 2)		(21)	
Total Investments		11,732	13,187

International Equity Fund (JPM) SF555

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

Introduction

The objective of the International Equity Fund (JPM) SF555 (the Fund) in managing risk is the creation and protection of contractholder value. Risk is inherent in the Fund's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. The process of risk management is critical to the Fund's continuing profitability. The Fund can be exposed to liquidity risk, market risk (which includes currency risk, interest rate risk and other price risk) and credit risk arising from the financial instruments it holds.

A. Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023, and groups the securities by asset type, geographic region and/or market segment. The following sections describe the significant risks that are relevant to the Fund.

To assist with managing risk, The Canada Life Assurance Company (Canada Life or the Company) maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and other regulations.

B. Liquidity Risk

Liquidity risk arises when a fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units by contractholders. The Fund retains sufficient cash and cash equivalent positions to maintain adequate liquidity to meet the obligation to fund daily cash redemptions of their redeemable units.

Some securities are illiquid due to legal restrictions on their resale, the nature of the investment, or simply a lack of interested buyers for a particular security or security type. Certain securities may become less liquid due to changes in market conditions, such as interest rate changes or market volatility, which could impair the ability of a fund to sell such securities quickly.

In accordance with the Fund's policy, the Company monitors the Fund's liquidity positions on a regular basis.

C. Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The classifications used on the Schedule of Investment Portfolio for the financial instruments are based on the country of issue.

International Equity Fund (JPM) SF555

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

C. Currency Risk (continued)

The table below indicates the foreign currencies to which the Fund had significant exposure as at December 31, 2023 in Canadian dollar terms, including the underlying principal amount of forward currency contracts, if any. The table also illustrates the potential impact to the Fund's net assets attributable to contractholders, all other variables held constant, as a result of a 1% change in these currencies relative to the Canadian dollar. In practice, the actual results may differ from this sensitivity analysis and the difference could be significant.

2023

Currency	Investments	Cash, Short-term Deposits and Overdrafts	Total*	Impact on Net Assets Attributable to Contractholders
Euro	\$ 4,691	\$ 2	\$ 4,693	\$ 47
Japanese Yen	2,903	3	2,906	29
United Kingdom Pound Sterling	2,269	—	2,269	23
Swiss Franc	785	—	785	8
Other Currencies	2,539	(8)	2,531	25
Total	\$ 13,187	\$ (3)	\$ 13,184	\$ 132
As Percent of Net Assets Attributable to Contractholders			97.0%	1.0%

*Includes both monetary and non-monetary instruments

2022

Currency	Investments	Cash, Short-term Deposits and Overdrafts	Total*	Impact on Net Assets Attributable to Contractholders
Euro	\$ 4,307	\$ 1	\$ 4,308	\$ 43
Japanese Yen	1,939	—	1,939	19
United Kingdom Pound Sterling	1,375	—	1,375	14
Swiss Franc	892	—	892	9
Other Currencies	2,264	4	2,268	23
Total	\$ 10,777	\$ 5	\$ 10,782	\$ 108
As Percent of Net Assets Attributable to Contractholders			97.8%	1.0%

*Includes both monetary and non-monetary instruments

D. Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. The Fund Manager moderates this risk through careful selection of securities and other financial instruments within the parameters of the investment strategy. The maximum risk resulting from financial instruments is equivalent to their fair value.

For the Fund, the most significant exposure to other price risk arises from its investment in equity securities. As at December 31, 2023, had the prices on the respective stock exchanges for these securities increased or decreased by 1%, with all other variables held constant, assets would have increased (or decreased) by approximately \$132 (\$108 at December 31, 2022) or approximately 1.0% (1.0% at December 31, 2022) of total net assets attributable to contractholders. In practice, the actual results may differ and the difference could be significant.

International Equity Fund (JPM) SF555

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

E. Fair Value Classification

The following table presents information about the Fund's assets and liabilities measured at fair value on a recurring basis and indicates the fair value hierarchy of the valuation techniques utilized by the Fund to determine such fair value:

<u>Assets measured at fair value</u>	2023			
	Assets and Liabilities Measured at Fair Value			
	Level 1	Level 2	Level 3	Total
Stocks	\$ 13,187	\$ —	\$ —	\$ 13,187
Total assets measured at fair value	\$ 13,187	\$ —	\$ —	\$ 13,187

<u>Assets measured at fair value</u>	2022			
	Assets and Liabilities Measured at Fair Value			
	Level 1	Level 2	Level 3	Total
Stocks	\$ 10,777	\$ —	\$ —	\$ 10,777
Total assets measured at fair value	\$ 10,777	\$ —	\$ —	\$ 10,777

There were no significant transfers between Level 1 and Level 2 during 2023 or 2022.

International Equity Fund (JPM) SF555

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Net Assets Attributable to Contractholders by Category

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
75/75 guarantee policy	182,273	163,229	139,927	595,767	512,617	2,003	1,597	1,648	6,482	5,214
75/100 guarantee policy	329,061	253,689	231,498	111,499	13,224	3,583	2,465	2,713	1,210	134
100/100 guarantee policy	77,668	54,456	41,740	8,609	—	831	522	485	93	—
PS1 75/75 guarantee policy	216,710	195,679	174,851	49,694	4,201	2,423	1,940	2,077	543	43
PS1 75/100 guarantee policy	214,268	299,749	196,497	80,272	5,380	2,362	2,940	2,318	874	55
PS1 100/100 guarantee policy	16,255	14,632	16,896	278	—	176	142	197	3	—
PS2 75/75 guarantee policy	13,411	13,748	12,499	1,180	—	166	147	157	13	—
PS2 75/100 guarantee policy	63,811	55,797	90,267	10,177	—	792	599	1,132	114	—
PS2 100/100 guarantee policy	31,781	—	—	—	—	394	—	—	—	—
PS 75/75 guarantee policy	7,349	8,240	6,309	3,014	—	85	84	76	33	—
PS 75/100 guarantee policy	11,753	12,519	60,281	3,164	—	134	126	724	35	—
PPS 75/75 guarantee policy	38,909	28,825	25,903	11,856	—	456	296	315	131	—
PPS 75/100 guarantee policy	15,906	16,373	26,642	11,762	8,813	184	166	322	130	90

Net Assets Attributable to Contractholders Per Unit (note 6)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
75/75 guarantee policy	10.99	9.79	11.78	10.88	10.17	1.20	(1.99)
75/100 guarantee policy	10.89	9.72	11.72	10.85	10.17	1.17	(2.00)
100/100 guarantee policy	10.70	9.59	11.62	10.80	—	1.11	(2.03)
PS1 75/75 guarantee policy	11.18	9.91	11.88	10.93	10.18	1.27	(1.97)
PS1 75/100 guarantee policy	11.02	9.81	11.80	10.89	10.17	1.21	(1.99)
PS1 100/100 guarantee policy	10.82	9.67	11.68	10.83	—	1.15	(2.01)
PS2 75/75 guarantee policy	12.40	10.73	12.54	11.25	—	1.67	(1.81)
PS2 75/100 guarantee policy	12.40	10.73	12.54	11.25	—	1.67	(1.81)
PS2 100/100 guarantee policy	12.41	—	—	—	—	1.68	—
PS 75/75 guarantee policy	11.51	10.14	12.06	11.02	—	1.37	(1.92)
PS 75/100 guarantee policy	11.40	10.06	12.00	10.99	—	1.34	(1.94)
PPS 75/75 guarantee policy	11.71	10.27	12.17	11.07	—	1.44	(1.90)
PPS 75/100 guarantee policy	11.55	10.16	12.08	11.03	10.19	1.39	(1.92)

International Equity Fund (JPM) SF555

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Fund is offered by The Canada Life Assurance Company.

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

International Equity Fund (JPM) SF555

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

International Equity Fund (JPM) SF555

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in fair value measurements in the notes to the Schedule of Investment Portfolio.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

International Equity Fund (JPM) SF555

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) **Stocks**

Stocks are recorded at fair value determined with reference to closing quoted market prices, where the last traded price falls within the day's bid-ask spread, primarily provided by third party independent pricing sources. Fair values are determined on the basis of the closing price for a security on the recognized exchange on which it is principally traded at each reporting date. In circumstances where the last traded price is not within the bid-ask spread, the Company determines the point when the bid-ask spread that is most representative of fair value based on the specific facts and circumstances.

The fair value of unlisted securities is established using quotations determined by a major dealer in a particular security. Should the quoted value for a security, in the opinion of the Fund Manager, be inaccurate, unreliable, or not readily available, the value of the security is estimated using valuation techniques. Valuation techniques include the market approach (using recent arm's-length market transactions adjusted as necessary and reference to the current market value of another instrument that is substantially the same) and the income approach (discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible).

d) **Cash, Short-term Deposits and Overdrafts**

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) **Classification of Units Issued by the Fund**

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) **Recognition of Investments and Income**

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

Dividend income - accrued as of the ex-dividend date and recorded on the accrual basis.

International Equity Fund (JPM) SF555

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

Miscellaneous income (loss)

Miscellaneous income (loss) generally includes the changes in foreign exchange rates between trade and settlement dates, foreign exchange rates on bank balances, securities lending income, derivative income, and management fee rebates.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

International Equity Fund (JPM) SF555

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

k) Income Allocation

Net gain (loss) on investments, which includes dividend income, realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the net asset value (NAV) per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

m) Transaction Costs

Transaction costs, such as brokerage commissions, incurred in the purchase and sale of securities by the Fund are charged to expenses in the year.

International Equity Fund (JPM) SF555

Notes to the Financial Statements

(in Canadian \$ thousands)

3. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Emperor,
- Flex,
- Generations/Mosaic,
- Generations I,
- Generations II,
- Generations Core,
- Prestige/Prestige Plus, and
- Private Collections.

In addition to the Individual units, units are available for:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

The categories of units are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

International Equity Fund (JPM) SF555

Notes to the Financial Statements

(in Canadian \$ thousands)

4. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

5. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

6. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

International Equity Fund (JPM) SF555

Notes to the Financial Statements

(in Canadian \$ thousands)

7. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.

International Equity Fund (JPM) SF555

Supplemental Information *(unaudited)*

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾

For the years ended December 31	2023	2022	2021	2020	2019
75/75 guarantee policy	2.91	2.92	2.96	2.87	2.87
75/100 guarantee policy	3.14	3.15	3.15	3.09	3.09
100/100 guarantee policy	3.56	3.57	3.60	3.50	—
PS1 75/75 guarantee policy	2.51	2.51	2.53	2.45	2.47
PS1 75/100 guarantee policy	2.84	2.84	2.85	2.80	2.80
PS1 100/100 guarantee policy	3.29	3.31	3.32	3.23	—
PS 75/75 guarantee policy	1.80	1.80	1.81	1.77	—
PS 75/100 guarantee policy	2.02	2.07	2.04	1.98	—
PPS 75/75 guarantee policy	1.39	1.40	1.40	1.36	—
PPS 75/100 guarantee policy	1.73	1.74	1.73	1.70	1.70

Portfolio Turnover Rate (%) ⁽²⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	36.03	52.57	39.11	21.37	2.99

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
INTERNATIONAL OPPORTUNITY FUND (JPM) SF556

December 31, 2023

Independent Auditor's Report

To the Contractholders of International Opportunity Fund (JPM) SF556 (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

International Opportunity Fund (JPM) SF556

(in Canadian \$ thousands)

Fund Manager: J.P. Morgan Asset Management

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ 1,709	\$ 665
Investment income due and accrued	60	16
Due from The Canada Life Assurance Company (note 7)	171	—
Due from brokers	—	89
Due from outside parties	—	—
Investments		
Bonds	—	—
Stocks	91,120	84,207
Investment fund units	—	—
Total investments	91,120	84,207
Total assets	\$ 93,060	\$ 84,977
Liabilities		
Overdrafts	\$ —	\$ —
Due to The Canada Life Assurance Company (note 7)	—	541
Due to brokers	—	—
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	—	541
Net assets attributable to contractholders	\$ 93,060	\$ 84,436

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 12,894	\$ (21,510)
Miscellaneous income (loss)	(10)	53
Total income (loss)	12,884	(21,457)
Expenses		
Management fees (note 7)	559	567
Transaction costs	90	82
Withholding taxes	210	153
Other	62	62
Total expenses	921	864
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 11,963	\$ (22,321)

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year		
	\$ 84,436	\$ 93,847
Contractholder deposits	6,330	17,348
Contractholder withdrawals	(9,669)	(4,438)
Increase (decrease) in net assets from operations attributable to contractholders	11,963	(22,321)
Change in net assets attributable to contractholders	8,624	(9,411)
Net assets attributable to contractholders - end of year	\$ 93,060	\$ 84,436

International Opportunity Fund (JPM) SF556

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 11,963	\$ (22,321)
Adjustments		
Realized (gains) losses	2,737	8,132
Unrealized (gains) losses	(13,818)	14,706
Gross proceeds of disposition of investments	48,733	25,746
Gross payments for the purchase of investments	(44,565)	(40,899)
Change in investment income due and accrued	(44)	(3)
Change in due from/to The Canada Life Assurance Company	(712)	701
Change in due from/to brokers	89	(89)
Change in due from/to outside parties	—	—
	<u>4,383</u>	<u>(14,027)</u>
Financing Activities		
Contractholder deposits	6,330	17,348
Contractholder withdrawals	(9,669)	(4,438)
	<u>(3,339)</u>	<u>12,910</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	1,044	(1,117)
Cash, short-term deposits and overdrafts, beginning of year	665	1,782
Cash, short-term deposits and overdrafts, end of year	<u>\$ 1,709</u>	<u>\$ 665</u>
Supplementary cash flow information		
Dividend income received	\$ 1,692	\$ 1,312

International Opportunity Fund (JPM) SF556

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or Par Value	Average Cost	Fair Value
United States Common Stock			
Consumer Discretionary			
MercadoLibre Inc.	166	262	346
Yum China Holdings Inc.	13,707	990	771
Total United States Common Stock		1,252	1,117
Global Common Stock			
Australia			
Goodman Group REIT	35,684	728	815
QBE Insurance Group Ltd.	56,488	769	755
Belgium			
KBC Group NV	9,186	842	789
Cayman Islands			
Tencent Holdings Ltd.	20,900	1,480	1,041
Denmark			
Genmab AS	908	398	384
Novo Nordisk AS	30,070	1,919	4,116
France			
Air Liquide SA	10,633	2,373	2,738
Dassault Systemes SE	15,704	1,011	1,016
L'Oreal SA	1,363	651	898
LVMH Moet Hennessy Louis Vuitton SE	2,952	2,392	3,167
Safran SA	10,380	1,871	2,420
Sanofi SA	6,767	979	888
Schneider Electric SE	1,821	384	484
Vinci SA	11,005	1,547	1,830
Germany			
Beiersdorf AG	2,856	509	567
Delivery Hero SE	3,426	400	125
Deutsche Boerse AG	3,560	779	971
DHL Group	13,777	883	904
Infineon Technologies AG	32,620	1,606	1,803
SAP SE	4,693	1,006	957

International Opportunity Fund (JPM) SF556

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or Par Value	Average Cost	Fair Value
Global Common Stock (continued)			
Germany (continued)			
Zalando SE	11,533	1,033	362
India			
HDFC Bank Ltd. ADR	11,967	1,076	1,064
Ireland			
Linde PLC	2,979	1,011	1,606
Ryanair Holdings PLC ADR	3,517	541	621
Japan			
Advantest Corp.	10,100	460	455
Daikin Industries Ltd.	7,100	1,766	1,533
Hoya Corp.	11,500	1,716	1,904
Keyence Corp.	3,900	2,346	2,276
Otsuka Corp.	16,400	860	895
Rakuten Bank Ltd.	24,300	571	482
Recruit Holdings Co. Ltd.	36,700	1,585	2,056
Shimano Inc.	5,300	1,333	1,087
Shin-Etsu Chemical Co. Ltd.	45,200	1,669	2,512
Sony Group Corp.	20,300	2,461	2,557
Terumo Corp.	26,000	1,093	1,129
Tokio Marine Holdings Inc.	36,100	1,061	1,197
Jersey			
Ferguson PLC	4,324	769	1,101
Netherlands			
Adyen BV	122	307	208
Airbus SE	9,464	1,804	1,934
argenx SE	1,918	816	963
ASML Holding NV	4,888	3,363	4,871
Ferrari NV	796	276	355
Wolters Kluwer NV	5,844	742	1,100
Singapore			
DBS Group Holdings Ltd.	45,000	1,331	1,508

International Opportunity Fund (JPM) SF556

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or Par Value	Average Cost	Fair Value
Global Common Stock (continued)			
South Korea			
Samsung Electronics Co. Ltd.	6,162	471	495
Spain			
Industria de Diseno Textil SA	32,849	1,568	1,894
Sweden			
Atlas Copco AB Class A	111,208	1,895	2,535
Evolution AB	4,536	753	716
Volvo AB Series B	27,949	794	961
Switzerland			
Compagnie Financiere Richemont SA	11,211	2,302	2,044
Nestle SA	30,780	4,535	4,726
Straumann Holding AG	3,637	646	777
Taiwan			
Taiwan Semiconductor Manufacturing Co. Ltd. ADR	10,263	1,299	1,414
United Kingdom			
3i Group PLC	51,215	1,486	2,093
Allfunds Group PLC	35,663	595	335
AstraZeneca PLC	15,170	2,475	2,714
Diageo PLC	9,638	524	465
InterContinental Hotels Group PLC	19,177	1,831	2,295
London Stock Exchange Group PLC	11,639	1,678	1,822
Next PLC	2,011	282	276
Oxford Nanopore Technologies PLC	47,351	503	166
RELX PLC	46,615	1,624	2,442
SSE PLC	29,607	931	927

International Opportunity Fund (JPM) SF556

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or <u>Par Value</u>	Average <u>Cost</u>	Fair <u>Value</u>
Global Common Stock (continued)			
United Kingdom (continued)			
The Sage Group PLC	23,360	473	462
Total Global Common Stock		79,182	90,003
Total Stocks		80,434	91,120
Transaction Costs (note 2)		(110)	
Total Investments		80,324	91,120

International Opportunity Fund (JPM) SF556

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

Introduction

The objective of the International Opportunity Fund (JPM) SF556 (the Fund) in managing risk is the creation and protection of contractholder value. Risk is inherent in the Fund's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. The process of risk management is critical to the Fund's continuing profitability. The Fund can be exposed to liquidity risk, market risk (which includes currency risk, interest rate risk and other price risk) and credit risk arising from the financial instruments it holds.

A. Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023, and groups the securities by asset type, geographic region and/or market segment. The following sections describe the significant risks that are relevant to the Fund.

To assist with managing risk, The Canada Life Assurance Company (Canada Life or the Company) maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and other regulations.

B. Liquidity Risk

Liquidity risk arises when a fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units by contractholders. The Fund retains sufficient cash and cash equivalent positions to maintain adequate liquidity to meet the obligation to fund daily cash redemptions of their redeemable units.

Some securities are illiquid due to legal restrictions on their resale, the nature of the investment, or simply a lack of interested buyers for a particular security or security type. Certain securities may become less liquid due to changes in market conditions, such as interest rate changes or market volatility, which could impair the ability of a fund to sell such securities quickly.

In accordance with the Fund's policy, the Company monitors the Fund's liquidity positions on a regular basis.

C. Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The classifications used on the Schedule of Investment Portfolio for the financial instruments are based on the country of issue.

International Opportunity Fund (JPM) SF556

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

C. Currency Risk (continued)

The table below indicates the foreign currencies to which the Fund had significant exposure as at December 31, 2023 in Canadian dollar terms, including the underlying principal amount of forward currency contracts, if any. The table also illustrates the potential impact to the Fund's net assets attributable to contractholders, all other variables held constant, as a result of a 1% change in these currencies relative to the Canadian dollar. In practice, the actual results may differ from this sensitivity analysis and the difference could be significant.

2023

Currency	Investments	Cash, Short-term Deposits and Overdrafts	Total*	Impact on Net Assets Attributable to Contractholders	
Euro	\$ 35,627	\$ 9	\$ 35,636	\$ 356	
Japanese Yen	18,083	—	18,083	181	
United Kingdom Pound Sterling	12,321	—	12,321	123	
Swiss Franc	7,547	—	7,547	76	
Other Currencies	17,542	—	17,542	175	
Total	\$ 91,120	\$ 9	\$ 91,129	\$ 911	
As Percent of Net Assets Attributable to Contractholders				97.9%	1.0%

*Includes both monetary and non-monetary instruments

2022

Currency	Investments	Cash, Short-term Deposits and Overdrafts	Total*	Impact on Net Assets Attributable to Contractholders	
Euro	\$ 29,674	\$ —	\$ 29,674	\$ 297	
Japanese Yen	14,102	—	14,102	141	
United Kingdom Pound Sterling	10,934	—	10,934	109	
Swiss Franc	10,752	—	10,752	107	
Other Currencies	18,745	25	18,770	188	
Total	\$ 84,207	\$ 25	\$ 84,232	\$ 842	
As Percent of Net Assets Attributable to Contractholders				99.8%	1.0%

*Includes both monetary and non-monetary instruments

D. Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. The Fund Manager moderates this risk through careful selection of securities and other financial instruments within the parameters of the investment strategy. The maximum risk resulting from financial instruments is equivalent to their fair value.

For the Fund, the most significant exposure to other price risk arises from its investment in equity securities. As at December 31, 2023, had the prices on the respective stock exchanges for these securities increased or decreased by 1%, with all other variables held constant, assets would have increased (or decreased) by approximately \$911 (\$842 at December 31, 2022) or approximately 1.0% (1.0% at December 31, 2022) of total net assets attributable to contractholders. In practice, the actual results may differ and the difference could be significant.

International Opportunity Fund (JPM) SF556

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

E. Fair Value Classification

The following table presents information about the Fund's assets and liabilities measured at fair value on a recurring basis and indicates the fair value hierarchy of the valuation techniques utilized by the Fund to determine such fair value:

<u>Assets measured at fair value</u>	2023			
	Assets and Liabilities Measured at Fair Value			
	Level 1	Level 2	Level 3	Total
Stocks	\$ 90,625	\$ 495	\$ —	\$ 91,120
Total assets measured at fair value	\$ 90,625	\$ 495	\$ —	\$ 91,120

<u>Assets measured at fair value</u>	2022			
	Assets and Liabilities Measured at Fair Value			
	Level 1	Level 2	Level 3	Total
Stocks	\$ 84,207	\$ —	\$ —	\$ 84,207
Total assets measured at fair value	\$ 84,207	\$ —	\$ —	\$ 84,207

In accordance with the Fund's valuation policy, the Fund applies fair value adjustment factors to the quoted market prices for certain non-North American equities when North American intraday stock market movements exceed predetermined tolerances. The adjustment factors are applied in order to estimate the impact on fair values of events occurring between the close of the non-North American stock markets and the close of business for the Fund. If fair value adjustment factors are applied, non-North American equities are classified as Level 2. Consequently, non-North American equities are frequently transferred between Level 1 (unadjusted quoted market prices) and Level 2 (adjusted market prices). As at December 31, 2023, these securities were classified as Level 2 (Level 1 at December 31, 2022).

International Opportunity Fund (JPM) SF556

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance. Portfolio units are allocated to each category as described in note 3 and are not included on this page.

Net Assets Attributable to Contractholders by Category

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
75/75 guarantee policy	349,154	343,848	343,240	636,810	503,200	4,006	3,533	4,670	8,062	5,193
75/100 guarantee policy	494,150	530,339	712,557	192,058	5,723	5,607	5,404	9,639	2,424	59
100/100 guarantee policy	111,427	117,648	110,675	73,011	4,121	1,242	1,183	1,484	917	42
PS1 75/75 guarantee policy	279,923	337,703	314,525	102,744	2,612	3,281	3,527	4,327	1,308	27
PS1 75/100 guarantee policy	376,725	395,722	385,806	119,780	5,703	4,345	4,083	5,263	1,519	59
PS1 100/100 guarantee policy	81,934	50,233	51,850	21,640	—	926	510	700	273	—
PS2 75/75 guarantee policy	45,901	60,909	172,501	144,022	—	598	689	2,507	1,888	—
PS2 75/100 guarantee policy	60,958	60,159	99,111	43,434	—	794	681	1,440	570	—
PS 75/75 guarantee policy	7,533	8,736	6,266	2,727	—	91	93	87	35	—
PS 75/100 guarantee policy	20,518	25,969	20,801	12,622	—	244	274	288	161	—
PPS 75/75 guarantee policy	6,251	4,757	4,649	1,146	—	77	51	65	15	—
PPS 75/100 guarantee policy	36,105	39,466	39,540	5,428	—	436	422	552	70	—

Net Assets Attributable to Contractholders Per Unit (note 6)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
75/75 guarantee policy	11.47	10.28	13.60	12.66	10.32	1.19	(3.32)
75/100 guarantee policy	11.35	10.19	13.53	12.62	10.32	1.16	(3.34)
100/100 guarantee policy	11.15	10.05	13.40	12.56	10.31	1.10	(3.35)
PS1 75/75 guarantee policy	11.72	10.44	13.76	12.74	10.33	1.28	(3.32)
PS1 75/100 guarantee policy	11.53	10.32	13.64	12.68	10.32	1.21	(3.32)
PS1 100/100 guarantee policy	11.30	10.16	13.50	12.61	—	1.14	(3.34)
PS2 75/75 guarantee policy	13.03	11.32	14.53	13.11	—	1.71	(3.21)
PS2 75/100 guarantee policy	13.03	11.32	14.53	13.11	—	1.71	(3.21)
PS 75/75 guarantee policy	12.01	10.64	13.93	12.82	—	1.37	(3.29)
PS 75/100 guarantee policy	11.88	10.55	13.85	12.78	—	1.33	(3.30)
PPS 75/75 guarantee policy	12.27	10.81	14.09	12.90	—	1.46	(3.28)
PPS 75/100 guarantee policy	12.08	10.68	13.97	12.84	—	1.40	(3.29)

International Opportunity Fund (JPM) SF556

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Fund is offered by The Canada Life Assurance Company.

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

International Opportunity Fund (JPM) SF556

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

International Opportunity Fund (JPM) SF556

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in fair value measurements in the notes to the Schedule of Investment Portfolio.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

International Opportunity Fund (JPM) SF556

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) **Stocks**

Stocks are recorded at fair value determined with reference to closing quoted market prices, where the last traded price falls within the day's bid-ask spread, primarily provided by third party independent pricing sources. Fair values are determined on the basis of the closing price for a security on the recognized exchange on which it is principally traded at each reporting date. In circumstances where the last traded price is not within the bid-ask spread, the Company determines the point when the bid-ask spread that is most representative of fair value based on the specific facts and circumstances.

The fair value of unlisted securities is established using quotations determined by a major dealer in a particular security. Should the quoted value for a security, in the opinion of the Fund Manager, be inaccurate, unreliable, or not readily available, the value of the security is estimated using valuation techniques. Valuation techniques include the market approach (using recent arm's-length market transactions adjusted as necessary and reference to the current market value of another instrument that is substantially the same) and the income approach (discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible).

d) **Cash, Short-term Deposits and Overdrafts**

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) **Classification of Units Issued by the Fund**

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) **Recognition of Investments and Income**

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

Dividend income - accrued as of the ex-dividend date and recorded on the accrual basis.

International Opportunity Fund (JPM) SF556

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

Miscellaneous income (loss)

Miscellaneous income (loss) generally includes the changes in foreign exchange rates between trade and settlement dates, foreign exchange rates on bank balances, securities lending income, derivative income, and management fee rebates.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

International Opportunity Fund (JPM) SF556

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

k) Income Allocation

Net gain (loss) on investments, which includes dividend income, realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the net asset value (NAV) per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

m) Transaction Costs

Transaction costs, such as brokerage commissions, incurred in the purchase and sale of securities by the Fund are charged to expenses in the year.

International Opportunity Fund (JPM) SF556

Notes to the Financial Statements

(in Canadian \$ thousands)

3. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Emperor,
- Flex,
- Generations/Mosaic,
- Generations I,
- Generations II,
- Generations Core,
- Prestige/Prestige Plus, and
- Private Collections.

In addition to the Individual units, units are available for:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

Portfolio units are those units owned by the Asset Allocation Funds. Each Portfolio fund is represented by a separate category.

The categories of units are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

International Opportunity Fund (JPM) SF556

Notes to the Financial Statements

(in Canadian \$ thousands)

4. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

5. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

6. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

The NAV per unit for group contractholders has not been shown because it will vary for each sub-class within the group contractholder class based on negotiated expense levels and other factors.

International Opportunity Fund (JPM) SF556

Notes to the Financial Statements

(in Canadian \$ thousands)

7. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.

International Opportunity Fund (JPM) SF556

Supplemental Information *(unaudited)*

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾

For the years ended December 31	2023	2022	2021	2020	2019
75/75 guarantee policy	3.06	3.07	3.10	3.03	3.03
75/100 guarantee policy	3.33	3.35	3.37	3.30	3.30
100/100 guarantee policy	3.75	3.76	3.78	3.71	3.71
PS1 75/75 guarantee policy	2.55	2.55	2.56	2.52	2.52
PS1 75/100 guarantee policy	2.94	2.94	2.97	2.91	2.91
PS1 100/100 guarantee policy	3.43	3.44	3.47	3.40	—
PS 75/75 guarantee policy	1.96	1.95	1.97	1.94	—
PS 75/100 guarantee policy	2.22	2.22	2.24	2.18	—
PPS 75/75 guarantee policy	1.44	1.44	1.44	1.42	—
PPS 75/100 guarantee policy	1.83	1.83	1.85	1.80	—

Portfolio Turnover Rate (%) ⁽²⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	50.19	30.34	29.30	17.84	5.07

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
SCIENCE & TECHNOLOGY FUND (LC) SF557

December 31, 2023

Independent Auditor's Report

To the Contractholders of Science & Technology Fund (LC) SF557 (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

Science & Technology Fund (LC) SF557

(in Canadian \$ thousands)

Fund Manager: Mackenzie Investments

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ 10,203	\$ 12,484
Investment income due and accrued	41	61
Due from The Canada Life Assurance Company (note 8)	—	—
Due from brokers	—	—
Due from outside parties	—	—
Investments		
Bonds	—	—
Stocks	387,106	224,053
Derivatives (note 7)	2,951	—
Total investments	390,057	224,053
Total assets	\$ 400,301	\$ 236,598
Liabilities		
Overdrafts	\$ —	\$ —
Due to The Canada Life Assurance Company (note 8)	79	5
Due to brokers	—	—
Derivatives (note 7)	235	—
Total liabilities excluding net assets attributable to contractholders	314	5
Net assets attributable to contractholders	\$ 399,987	\$ 236,593

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 123,029	\$ (85,727)
Miscellaneous income (loss)	(43)	182
Total income (loss)	122,986	(85,545)
Expenses		
Management fees (note 8)	8,153	6,454
Transaction costs	84	69
Withholding taxes	147	182
Other	796	623
Total expenses	9,180	7,328
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 113,806	\$ (92,873)

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year		
	\$ 236,593	\$ 312,561
Contractholder deposits	94,011	38,406
Contractholder withdrawals	(44,423)	(21,501)
Increase (decrease) in net assets from operations attributable to contractholders	113,806	(92,873)
Change in net assets attributable to contractholders	163,394	(75,968)
Net assets attributable to contractholders - end of year	\$ 399,987	\$ 236,593

Science & Technology Fund (LC) SF557

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 113,806	\$ (92,873)
Adjustments		
Realized (gains) losses	(30,707)	25,940
Unrealized (gains) losses	(90,214)	61,469
Gross proceeds of disposition of investments	208,341	125,944
Gross payments for the purchase of investments	(253,189)	(129,626)
Change in investment income due and accrued	20	(9)
Change in due from/to The Canada Life Assurance Company	74	362
Change in due from/to brokers	—	—
Change in due from/to outside parties	—	—
	<u>(51,869)</u>	<u>(8,793)</u>
Financing Activities		
Contractholder deposits	94,011	38,406
Contractholder withdrawals	(44,423)	(21,501)
	<u>49,588</u>	<u>16,905</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	(2,281)	8,112
Cash, short-term deposits and overdrafts, beginning of year	12,484	4,372
Cash, short-term deposits and overdrafts, end of year	<u>\$ 10,203</u>	<u>\$ 12,484</u>
Supplementary cash flow information		
Dividend income received	\$ 1,592	\$ 1,429

Science & Technology Fund (LC) SF557

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or Par Value	Average Cost	Fair Value
Canadian Common Stock			
Information Technology			
CGI Group Inc. Class A sub. voting	62,491	6,545	8,871
Constellation Software Inc.	9,565	18,280	31,424
The Descartes Systems Group Inc.	101,370	9,775	11,286
Total Canadian Common Stock		34,600	51,581
United States Common Stock			
Communication Services			
Alphabet Inc. Class A	171,239	21,751	31,694
Consumer Discretionary			
Amazon.com Inc.	132,115	19,060	26,598
Financials			
S&P Global Inc.	14,348	7,225	8,375
Health Care			
IDEXX Laboratories Inc.	11,036	7,127	8,117
Intuitive Surgical Inc.	16,866	5,802	7,539
Thermo Fisher Scientific Inc.	14,907	10,508	10,484
Industrials			
Danaher Corp.	22,293	6,300	6,834
Verisk Analytics Inc. Class A	11,922	3,554	3,773
Information Technology			
Amphenol Corp. Class A	62,709	6,600	8,237
Apple Inc.	111,967	18,087	28,564
Gartner Inc.	18,652	9,239	11,149
Intuit Inc.	10,358	7,488	8,578
Keysight Technologies Inc.	29,817	6,974	6,285
Mastercard Inc. Class A	13,827	6,490	7,814
Microsoft Corp.	62,763	20,170	31,272
NVIDIA Corp.	45,019	13,904	29,541
ON Semiconductor Corp.	58,797	7,045	6,508
Roper Technologies Inc.	23,009	14,277	16,625
ServiceNow Inc.	14,447	10,068	13,524

Science & Technology Fund (LC) SF557

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or Par Value	Average Cost	Fair Value
United States Common Stock (continued)			
Information Technology (continued)			
Synopsys Inc.	20,375	12,832	13,901
Visa Inc. Class A	23,007	6,646	7,937
Workday Inc.	23,959	7,091	8,764
Total United States Common Stock		228,238	302,113
Global Common Stock			
Ireland			
Accenture PLC Class A	21,314	8,742	9,910
Netherlands			
ASML Holding NV	10,549	10,119	10,580
Ferrari NV	12,926	5,118	5,796
Sweden			
Hexagon AB	448,537	7,076	7,126
Total Global Common Stock		31,055	33,412
Total Stocks		293,893	387,106

Science & Technology Fund (LC) SF557

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, contracts, shares, par value or contract price)

As at December 31, 2023

Schedule of Derivative Contracts

Forward Currency Contracts

Contract Price	Settlement Date	Purchased Currency		Sold Currency		Unrealized Gain (Loss)
		Currency	Value as at December 31	Currency	Value as at December 31	
1.3642	January 18, 2024	Canadian Dollar	57,440	United States Dollar	56,186	1,254
1.3691	February 4, 2024	Canadian Dollar	4,515	United States Dollar	4,404	111
1.3745	February 4, 2024	Canadian Dollar	2,012	United States Dollar	1,956	56
1.3573	February 4, 2024	Canadian Dollar	1,780	United States Dollar	1,747	33
1.3301	February 4, 2024	Canadian Dollar	9,478	United States Dollar	9,448	30
1.3747	February 4, 2024	Canadian Dollar	546	United States Dollar	531	15
1.3633	February 8, 2024	Canadian Dollar	54,475	United States Dollar	53,301	1,174
1.3684	February 8, 2024	Canadian Dollar	5,256	United States Dollar	5,128	128
1.3754	February 8, 2024	Canadian Dollar	1,931	United States Dollar	1,877	54
1.3717	February 8, 2024	Canadian Dollar	1,817	United States Dollar	1,769	48
1.3564	February 8, 2024	Canadian Dollar	2,075	United States Dollar	2,038	37
1.3408	February 8, 2024	Canadian Dollar	1,232	United States Dollar	1,221	11
Derivatives - Assets						2,951
0.7221	February 4, 2024	United States Dollar	834	Canadian Dollar	872	(38)
0.7330	February 4, 2024	United States Dollar	1,682	Canadian Dollar	1,733	(51)
0.7306	February 4, 2024	United States Dollar	1,563	Canadian Dollar	1,614	(51)
0.7236	February 8, 2024	United States Dollar	914	Canadian Dollar	954	(40)
0.7242	February 8, 2024	United States Dollar	1,271	Canadian Dollar	1,326	(55)
Derivatives - Liabilities						(235)
Total Forward Currency Contracts						2,716
Total Derivative Instruments at Fair Value						2,716
Transaction Costs (note 2)						(57)
Total Investments						293,836
						389,822

Science & Technology Fund (LC) SF557

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

Introduction

The objective of the Science & Technology Fund (LC) SF557 (the Fund) in managing risk is the creation and protection of contractholder value. Risk is inherent in the Fund's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. The process of risk management is critical to the Fund's continuing profitability. The Fund can be exposed to liquidity risk, market risk (which includes currency risk, interest rate risk and other price risk) and credit risk arising from the financial instruments it holds.

A. Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023, and groups the securities by asset type, geographic region and/or market segment. The following sections describe the significant risks that are relevant to the Fund.

To assist with managing risk, The Canada Life Assurance Company (Canada Life or the Company) maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and other regulations.

B. Liquidity Risk

Liquidity risk arises when a fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units by contractholders. The Fund retains sufficient cash and cash equivalent positions to maintain adequate liquidity to meet the obligation to fund daily cash redemptions of their redeemable units.

Some securities are illiquid due to legal restrictions on their resale, the nature of the investment, or simply a lack of interested buyers for a particular security or security type. Certain securities may become less liquid due to changes in market conditions, such as interest rate changes or market volatility, which could impair the ability of a fund to sell such securities quickly.

In accordance with the Fund's policy, the Company monitors the Fund's liquidity positions on a regular basis.

C. Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The classifications used on the Schedule of Investment Portfolio for the financial instruments are based on the country of issue.

Science & Technology Fund (LC) SF557

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

C. Currency Risk (continued)

The table below indicates the foreign currencies to which the Fund had significant exposure as at December 31, 2023 in Canadian dollar terms, including the underlying principal amount of forward currency contracts, if any. The table also illustrates the potential impact to the Fund's net assets attributable to contractholders, all other variables held constant, as a result of a 1% change in these currencies relative to the Canadian dollar. In practice, the actual results may differ from this sensitivity analysis and the difference could be significant.

2023

Currency	Investments	Cash, Short-term Deposits and Overdrafts	Total*	Impact on Net Assets Attributable to Contractholders
United States Dollar	\$ 229,989	\$ 6	\$ 229,995	\$ 2,300
Other Currencies	7,126	—	7,126	71
Total	\$ 237,115	\$ 6	\$ 237,121	\$ 2,371
As Percent of Net Assets Attributable to Contractholders			59.3%	0.6%

*Includes both monetary and non-monetary instruments

2022

Currency	Investments	Cash, Short-term Deposits and Overdrafts	Total*	Impact on Net Assets Attributable to Contractholders
United States Dollar	\$ 181,291	\$ 3,892	\$ 185,183	\$ 1,852
Total	\$ 181,291	\$ 3,892	\$ 185,183	\$ 1,852
As Percent of Net Assets Attributable to Contractholders			78.3%	0.8%

*Includes both monetary and non-monetary instruments

D. Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. The Fund Manager moderates this risk through careful selection of securities and other financial instruments within the parameters of the investment strategy. The maximum risk resulting from financial instruments is equivalent to their fair value.

For the Fund, the most significant exposure to other price risk arises from its investment in equity securities. As at December 31, 2023, had the prices on the respective stock exchanges for these securities increased or decreased by 1%, with all other variables held constant, assets would have increased (or decreased) by approximately \$3,871 (\$2,241 at December 31, 2022) or approximately 1.0% (0.9% at December 31, 2022) of total net assets attributable to contractholders. In practice, the actual results may differ and the difference could be significant.

Science & Technology Fund (LC) SF557

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

E. Fair Value Classification

The following table presents information about the Fund's assets measured at fair value on a recurring basis and indicates the fair value hierarchy of the valuation techniques utilized by the Fund to determine such fair value:

	2023			
	Assets Measured at Fair Value			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Stocks	\$ 387,106	\$ —	\$ —	\$ 387,106
Derivatives	—	2,951	—	2,951
Total assets measured at fair value	\$ 387,106	\$ 2,951	\$ —	\$ 390,057
Liabilities measured at fair value				
Derivatives	\$ —	\$ 235	\$ —	\$ 235
Net assets attributable to contractholders measured at fair value	\$ 387,106	\$ 2,716	\$ —	\$ 389,822
	2022			
	Assets Measured at Fair Value			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Stocks	\$ 224,053	\$ —	\$ —	\$ 224,053
Derivatives	—	—	—	—
Total assets measured at fair value	\$ 224,053	\$ —	\$ —	\$ 224,053
Liabilities measured at fair value				
Derivatives	\$ —	\$ —	\$ —	\$ —
Net assets attributable to contractholders measured at fair value	\$ 224,053	\$ —	\$ —	\$ 224,053

There were no significant transfers between Level 1 and Level 2 during 2023 or 2022.

Science & Technology Fund (LC) SF557

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Net Assets Attributable to Contractholders by Category

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
75/75 guarantee policy	4,932,311	5,162,958	4,631,308	2,927,880	692,325	87,914	63,175	80,053	42,497	7,224
75/100 guarantee policy	6,595,121	5,768,491	5,433,777	3,511,174	284,432	116,914	70,293	93,659	50,887	2,968
100/100 guarantee policy	517,518	530,592	548,341	517,897	42,336	8,948	6,344	9,330	7,454	441
PS1 75/75 guarantee policy	3,850,078	3,396,401	3,036,375	1,479,231	105,731	70,093	42,233	53,064	21,597	1,104
PS1 75/100 guarantee policy	4,762,196	3,183,198	3,029,302	1,652,299	181,440	85,525	39,174	52,567	24,033	1,894
PS1 100/100 guarantee policy	604,567	332,130	494,987	476,739	—	10,613	4,017	8,489	6,890	—
PS2 75/75 guarantee policy	138,419	132,740	262,885	159,563	—	2,791	1,784	4,844	2,397	—
PS2 75/100 guarantee policy	347,566	315,967	262,588	161,573	27,599	7,009	4,247	4,839	2,427	289
PS2 100/100 guarantee policy	103,095	8,498	2,092	—	—	2,079	114	39	—	—
PS 75/75 guarantee policy	61,842	61,018	74,285	73,604	3,311	1,153	773	1,315	1,082	35
PS 75/100 guarantee policy	112,816	119,137	80,361	29,964	885	2,093	1,503	1,418	440	9
PS 100/100 guarantee policy	2,051	2,605	3,059	671	—	37	32	53	10	—
PPS 75/75 guarantee policy	78,652	86,078	62,411	38,899	—	1,499	1,108	1,117	575	—
PPS 75/100 guarantee policy	166,417	125,940	84,586	22,619	—	3,128	1,604	1,503	333	—
PPS 100/100 guarantee policy	10,378	15,292	15,423	6,748	971	191	192	271	99	10

Net Assets Attributable to Contractholders Per Unit (note 6)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
75/75 guarantee policy	17.82	12.24	17.29	14.51	10.43	5.58	(5.05)
75/100 guarantee policy	17.73	12.19	17.24	14.49	10.43	5.54	(5.05)
100/100 guarantee policy	17.29	11.96	17.01	14.39	10.42	5.33	(5.05)
PS1 75/75 guarantee policy	18.21	12.43	17.48	14.60	10.44	5.78	(5.05)
PS1 75/100 guarantee policy	17.96	12.31	17.35	14.55	10.44	5.65	(5.04)
PS1 100/100 guarantee policy	17.56	12.10	17.15	14.45	—	5.46	(5.05)
PS2 75/75 guarantee policy	20.17	13.44	18.43	15.02	—	6.73	(4.99)
PS2 75/100 guarantee policy	20.17	13.44	18.43	15.02	10.48	6.73	(4.99)
PS2 100/100 guarantee policy	20.17	13.44	18.43	—	—	6.73	(4.99)
PS 75/75 guarantee policy	18.65	12.67	17.70	14.70	10.45	5.98	(5.03)
PS 75/100 guarantee policy	18.55	12.61	17.65	14.68	10.45	5.94	(5.04)
PS 100/100 guarantee policy	18.09	12.38	17.42	14.58	—	5.71	(5.04)
PPS 75/75 guarantee policy	19.05	12.87	17.89	14.79	—	6.18	(5.02)
PPS 75/100 guarantee policy	18.79	12.74	17.77	14.73	—	6.05	(5.03)
PPS 100/100 guarantee policy	18.37	12.52	17.56	14.64	10.45	5.85	(5.04)

Science & Technology Fund (LC) SF557

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Fund is offered by The Canada Life Assurance Company.

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

Science & Technology Fund (LC) SF557

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

Science & Technology Fund (LC) SF557

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in fair value measurements in the notes to the Schedule of Investment Portfolio.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

Science & Technology Fund (LC) SF557

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) **Stocks**

Stocks are recorded at fair value determined with reference to closing quoted market prices, where the last traded price falls within the day's bid-ask spread, primarily provided by third party independent pricing sources. Fair values are determined on the basis of the closing price for a security on the recognized exchange on which it is principally traded at each reporting date. In circumstances where the last traded price is not within the bid-ask spread, the Company determines the point when the bid-ask spread that is most representative of fair value based on the specific facts and circumstances.

The fair value of unlisted securities is established using quotations determined by a major dealer in a particular security. Should the quoted value for a security, in the opinion of the Fund Manager, be inaccurate, unreliable, or not readily available, the value of the security is estimated using valuation techniques. Valuation techniques include the market approach (using recent arm's-length market transactions adjusted as necessary and reference to the current market value of another instrument that is substantially the same) and the income approach (discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible).

d) **Cash, Short-term Deposits and Overdrafts**

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) **Derivatives**

Derivatives are classified and measured at fair value. Derivatives are valued using market transactions and other market evidence whenever possible, including market based inputs to models, broker or dealer quotations or alternative pricing sources with reasonable levels of transparency. When models are used, the selection of a particular model to value a derivative depends on the contractual terms of, and specific risks inherent in, the instrument, as well as the availability of pricing information in the market. The Company generally uses similar models to value similar instruments. Valuation models require a variety of inputs, including contractual terms, market prices and rates, yield curves, credit curves, measures volatility, prepayment rates and correlations of such inputs.

f) **Classification of Units Issued by the Fund**

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

Science & Technology Fund (LC) SF557

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

g) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

Dividend income - accrued as of the ex-dividend date and recorded on the accrual basis.

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

Miscellaneous income (loss)

Miscellaneous income (loss) generally includes the changes in foreign exchange rates between trade and settlement dates, foreign exchange rates on bank balances, securities lending income, derivative income, and management fee rebates.

h) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Science & Technology Fund (LC) SF557

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

i) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

j) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

k) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

l) Income Allocation

Net gain (loss) on investments, which includes dividend income, realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the net asset value (NAV) per unit.

m) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

n) Transaction Costs

Transaction costs, such as brokerage commissions, incurred in the purchase and sale of securities by the Fund are charged to expenses in the year.

Science & Technology Fund (LC) SF557

Notes to the Financial Statements

(in Canadian \$ thousands)

3. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Emperor,
- Flex,
- Generations/Mosaic,
- Generations I,
- Generations II,
- Generations Core,
- Prestige/Prestige Plus, and
- Private Collections.

In addition to the Individual units, units are available for:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

The categories of units are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

4. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

Science & Technology Fund (LC) SF557

Notes to the Financial Statements

(in Canadian \$ thousands)

5. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

6. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

The NAV per unit for group contractholders has not been shown because it will vary for each sub-class within the group contractholder class based on negotiated expense levels and other factors.

7. DERIVATIVE FINANCIAL INSTRUMENTS

Derivative contracts, including forward currency, futures and equity swap contracts, are valued at the gain or loss that would arise as a result of closing the position at the reporting date. Options are recorded at fair value as at the reporting date. The Fund may use derivative contracts to hedge against losses caused by changes in securities prices, interest rates, exchange rates and/or other risks. The Fund may also use derivative contracts for non-hedging purposes in order to invest indirectly in financial markets or to gain exposure to other currencies, provided the use of such derivatives is consistent with the Fund's investment objectives and strategies. Foreign currency risk and exposure may be direct or indirect and can include all or a portion of the currency exposure of an existing investment or group of investments. Any such gain or loss on derivative contracts is recorded as part of net gain (loss) on investments.

As at the reporting date, the unrealized gain (loss) on derivative contracts is reflected on the Statement of Financial Position of the Fund.

The Fund manages derivative credit risk through collateral arrangements where required. The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are implemented by the Fund regarding the acceptability of types of collateral and the valuation parameters. The Fund Manager monitors the value of the collateral and requests additional collateral when needed.

Science & Technology Fund (LC) SF557

Notes to the Financial Statements

(in Canadian \$ thousands)

8. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.
- c) The Fund invests in assets or underlying funds managed by Mackenzie Financial Corporation, which operates as Mackenzie Investments. All investment transactions with the corresponding underlying funds are at quoted market prices.

Science & Technology Fund (LC) SF557

Supplemental Information (unaudited)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾

For the years ended December 31	2023	2022	2021	2020	2019
75/75 guarantee policy	2.97	2.98	2.96	2.96	2.98
75/100 guarantee policy	3.10	3.11	3.09	3.11	3.11
100/100 guarantee policy	3.71	3.72	3.69	3.71	3.71
PS1 75/75 guarantee policy	2.46	2.47	2.45	2.45	2.47
PS1 75/100 guarantee policy	2.79	2.80	2.77	2.78	2.80
PS1 100/100 guarantee policy	3.34	3.34	3.33	3.34	—
PS 75/75 guarantee policy	1.88	1.89	1.87	1.87	1.88
PS 75/100 guarantee policy	2.01	2.01	1.99	2.01	2.01
PS 100/100 guarantee policy	2.61	2.62	2.61	2.61	—
PPS 75/75 guarantee policy	1.37	1.37	1.36	1.35	—
PPS 75/100 guarantee policy	1.70	1.70	1.68	1.70	—
PPS 100/100 guarantee policy	2.24	2.25	2.23	2.24	2.25

Portfolio Turnover Rate (%) ⁽²⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	67.50	51.89	19.40	10.48	—

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
TACTICAL BOND FUND (PIM) SF558

December 31, 2023

Independent Auditor's Report

To the Contractholders of Tactical Bond Fund (PIM) SF558 (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

Tactical Bond Fund (PIM) SF558

(in Canadian \$ thousands)

Fund Manager: Mackenzie Investments

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ 16,582	\$ 33,492
Investment income due and accrued	3,592	3,260
Due from The Canada Life Assurance Company (note 8)	21	1,120
Due from brokers	—	—
Due from outside parties	—	—
Investments		
Bonds	517,596	451,300
Stocks	14,646	21,985
Investment fund units	—	—
Derivatives (note 7)	1,615	393
Total investments	533,857	473,678
Total assets	\$ 554,052	\$ 511,550
Liabilities		
Overdrafts	\$ —	\$ —
Due to The Canada Life Assurance Company (note 8)	—	—
Due to brokers	397	—
Due to outside parties	—	—
Derivatives (note 7)	498	1,494
Total liabilities excluding net assets attributable to contractholders	895	1,494
Net assets attributable to contractholders	\$ 553,157	\$ 510,056

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 35,084	\$ (60,663)
Miscellaneous income (loss)	528	606
Total income (loss)	35,612	(60,057)
Expenses		
Management fees (note 8)	219	106
Transaction costs	3	16
Withholding taxes	—	2
Other	4	89
Total expenses	226	213
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 35,386	\$ (60,270)

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year		
	\$ 510,056	\$ 536,158
Contractholder deposits	35,376	59,942
Contractholder withdrawals	(27,661)	(25,774)
Increase (decrease) in net assets from operations attributable to contractholders	35,386	(60,270)
Change in net assets attributable to contractholders	43,101	(26,102)
Net assets attributable to contractholders - end of year	\$ 553,157	\$ 510,056

Tactical Bond Fund (PIM) SF558

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 35,386	\$ (60,270)
Adjustments		
Add back amortization of premium (discount)	(799)	(207)
Realized (gains) losses	20,925	30,601
Unrealized (gains) losses	(35,809)	45,903
Gross proceeds of disposition of investments	381,294	423,687
Gross payments for the purchase of investments	(426,786)	(467,307)
Change in investment income due and accrued	(332)	(845)
Change in due from/to The Canada Life Assurance Company	1,099	(623)
Change in due from/to brokers	397	—
Change in due from/to outside parties	—	—
	<u>(24,625)</u>	<u>(29,061)</u>
Financing Activities		
Contractholder deposits	35,376	59,942
Contractholder withdrawals	(27,661)	(25,774)
	<u>7,715</u>	<u>34,168</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	(16,910)	5,107
Cash, short-term deposits and overdrafts, beginning of year	33,492	28,385
Cash, short-term deposits and overdrafts, end of year	\$ 16,582	\$ 33,492
Supplementary cash flow information		
Interest income received	\$ 17,112	\$ 12,924
Dividend income received	802	1,540

Tactical Bond Fund (PIM) SF558

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or Par Value	Average Cost	Fair Value
Canadian Bonds			
Federal Government			
Canada Housing Trust No. 1 2.90% 06-15-2024	8,777,000	8,670	8,695
CPPIB Capital Inc. 2.25% 12-01-2031	430,000	426	388
CPPIB Capital Inc. 3.95% 06-02-2032	1,865,000	1,859	1,894
Government of Canada 0.25% 12-01-2054 Real Return	1,038,000	743	865
Government of Canada 0.50% 12-01-2050 Real Return	7,944,000	8,393	7,752
Government of Canada 1.75% 12-01-2053	7,295,000	4,649	5,482
Government of Canada 2.50% 12-01-2032	4,489,000	4,308	4,280
Government of Canada 2.75% 06-01-2033	33,478,000	31,641	32,538
Total Federal Government		60,689	61,894
Provincial Government			
Hydro-Quebec 4.00% 02-15-2055	1,292,000	1,865	1,309
Ontario Power Generation Inc. 3.215% 04-08-2030	2,366,000	2,487	2,235
Ontario Power Generation Inc. 4.922% 07-19-2032	290,000	290	302
Ontario Teachers' Finance Trust 4.45% 06-02-2032	650,000	648	677
Province of Alberta 2.55% 06-01-2027	2,680,000	2,911	2,587
Province of Alberta 2.95% 06-01-2052	6,995,000	6,108	5,776
Province of Alberta 3.05% 12-01-2048	1,575,000	1,632	1,325
Province of Alberta 3.10% 06-01-2050	11,861,000	12,056	10,079
Province of Alberta 4.15% 06-01-2033	30,000	29	31
Province of British Columbia 2.95% 06-18-2050	1,266,000	1,402	1,053
Province of British Columbia 3.55% 06-18-2033	1,997,000	1,812	1,963
Province of Manitoba 2.05% 09-05-2052	1,112,000	907	732
Province of Manitoba 2.75% 06-02-2029	1,677,000	1,866	1,613
Province of Manitoba 2.85% 09-05-2046	3,116,000	3,444	2,515
Province of Manitoba 3.20% 03-05-2050	80,000	87	68
Province of Manitoba 3.25% 09-05-2029	1,840,000	2,116	1,810
Province of Manitoba 3.80% 09-05-2053	1,167,000	1,088	1,110
Province of New Brunswick 4.65% 09-26-2035	1,456,000	1,937	1,550
Province of Nova Scotia 3.15% 12-01-2051	1,541,000	1,843	1,310
Province of Ontario 3.65% 06-02-2033	37,905,000	35,804	37,550
Province of Ontario 4.05% 02-02-2032	5,190,000	5,184	5,327
Province of Ontario 4.15% 12-02-2054	3,428,000	3,270	3,572
Province of Quebec 3.60% 09-01-2033	8,159,000	7,433	8,058
Province of Quebec 3.65% 05-20-2032	1,240,000	1,240	1,240
Province of Quebec 3.90% 11-22-2032	700,000	689	712

Tactical Bond Fund (PIM) SF558

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or <u>Par Value</u>	Average <u>Cost</u>	Fair <u>Value</u>
Canadian Bonds (continued)			
Provincial Government (continued)			
Province of Quebec 4.40% 12-01-2055	20,221,000	20,329	22,072
Province of Saskatchewan 2.80% 12-02-2052	1,994,000	1,990	1,597
Province of Saskatchewan 3.10% 06-02-2050	2,410,000	2,451	2,053
Province of Saskatchewan 3.40% 02-03-2042	2,766,000	3,318	2,529
Total Provincial Government		126,236	122,755
Municipal Government			
City of Ottawa 3.05% 05-10-2039	510,000	573	445
City of Toronto 5.20% 06-01-2040	2,158,000	3,164	2,406
Total Municipal Government		3,737	2,851
Corporate - Non-convertible			
407 International Inc. 1.80% 05-22-2025	352,000	359	339
407 International Inc. 3.30% 03-27-2045	277,000	302	233
407 International Inc. 3.43% 06-01-2033	47,000	51	44
407 International Inc. 3.60% 05-21-2047	379,000	289	332
407 International Inc. 3.67% 03-08-2049	1,163,000	1,003	1,028
407 International Inc. 4.19% 04-25-2042	197,000	170	190
407 International Inc. 4.22% 02-14-2028	700,000	700	699
407 International Inc. 4.86% 07-31-2053	271,000	271	290
Aeroports de Montreal 3.03% 04-21-2050	118,000	92	94
Aeroports de Montreal 3.36% 04-24-2047	668,000	525	574
Aeroports de Montreal 6.55% 10-11-2033	59,000	70	69
AIMCo Realty Investors LP 2.195% 11-04-2026	520,000	520	490
AIMCo Realty Investors LP 2.712% 06-01-2029	1,483,000	1,574	1,358
Algonquin Power & Utilities Corp. 4.09% 02-17-2027	39,000	44	38
Algonquin Power & Utilities Corp. 4.60% 01-29-2029	235,000	232	233
Algonquin Power & Utilities Corp. 5.25% 01-18-2082	660,000	660	550
Algonquin Power Co. 2.85% 07-15-2031	775,000	752	677
Alimentation Couche-Tard 5.592% 09-25-2030	1,410,000	1,410	1,501
AltaGas Ltd. 2.157% 06-10-2025	29,000	29	28
AltaGas Ltd. 2.166% 03-16-2027	790,000	789	732
AltaGas Ltd. 4.638% 05-15-2026	136,000	136	136
AltaGas Ltd. 5.25% 01-11-2082	420,000	420	353
AltaGas Ltd. 7.35% 08-17-2082	105,000	105	105

Tactical Bond Fund (PIM) SF558

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or <u>Par Value</u>	Average <u>Cost</u>	Fair <u>Value</u>
Canadian Bonds (continued)			
Corporate - Non-convertible (continued)			
AltaGas Ltd. 8.90% 11-10-2083	255,000	255	266
AltaLink LP 4.692% 11-28-2032	300,000	300	311
AltaLink LP 5.463% 10-11-2055	600,000	600	708
ARC Resources Ltd. 3.465% 03-10-2031	388,000	335	357
Athabasca Indigenous Midstream LP 6.069% 02-05-2042	117,804	118	125
Athene Global Funding 3.127% 03-10-2025	510,000	510	496
Bank of Montreal 3.19% 03-01-2028	960,000	948	927
Bank of Montreal 3.65% 04-01-2027	1,000,000	985	975
Bank of Montreal 4.30% 11-26-2025	327,000	327	310
Bank of Montreal 4.309% 06-01-2027	2,350,000	2,332	2,338
Bank of Montreal 4.537% 12-18-2028	1,270,000	1,270	1,277
Bank of Montreal 4.709% 12-07-2027	4,367,000	4,356	4,405
Bank of Montreal 6.034% 09-07-2033	2,122,000	2,117	2,214
Bank of Montreal 6.534% 10-27-2032	944,000	963	995
Bank of Montreal 7.325% 11-26-2082	2,002,000	2,003	1,995
Baytex Energy Corp. 8.50% 04-30-2030 144A	175,000	246	240
BCI QuadReal Realty 1.056% 03-12-2024	320,000	320	317
BCI QuadReal Realty 1.073% 02-04-2026	426,000	426	398
BCI QuadReal Realty 2.551% 06-24-2026	46,000	43	44
BCIMC Realty Corp. 2.84% 06-03-2025	807,000	867	786
Bell Canada 2.20% 05-29-2028	486,000	484	447
Bell Canada 3.00% 03-17-2031	148,000	126	134
Bell Canada 5.15% 11-14-2028	580,000	580	601
Bell Canada 5.25% 03-15-2029	870,000	869	907
Bell Canada Inc. 4.45% 02-27-2047	33,000	39	30
Bell Canada Inc. 5.85% 11-10-2032	7,000	7	8
Brookfield Infrastructure Finance ULC 5.616% 11-14-2027	910,000	910	941
Brookfield Renewable Energy Partners LP 3.63% 01-15-2027	740,000	764	720
Brookfield Residential Properties Inc./Brookfield Residential US Corp. 5.125% 06-15-2029	187,000	187	163
Bruce Power LP 4.00% 06-21-2030	918,000	882	893
Bruce Power LP 4.99% 12-21-2032	170,000	170	174
CAE Inc. 5.541% 06-12-2028	490,000	490	505
Calgary Airport Authority 3.554% 10-07-2051	280,000	245	243
Calgary Airport Authority 3.554% 10-07-2053	170,000	138	146
Canadian Core Real Estate 3.299% 03-02-2027	560,000	560	525
Canadian Imperial Bank of Commerce 1.10% 01-19-2026	1,019,000	1,018	952

Tactical Bond Fund (PIM) SF558

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or Par Value	Average Cost	Fair Value
Canadian Bonds (continued)			
Corporate - Non-convertible (continued)			
Canadian Imperial Bank of Commerce 1.96% 04-21-2031	2,033,000	2,034	1,899
Canadian Imperial Bank of Commerce 4.20% 04-07-2032	475,000	470	464
Canadian Imperial Bank of Commerce 4.375% 10-28-2025	435,000	441	413
Canadian Imperial Bank of Commerce 4.95% 06-29-2027	2,723,000	2,747	2,762
Canadian Imperial Bank of Commerce 5.00% 12-07-2026	1,311,000	1,311	1,329
Canadian Imperial Bank of Commerce 5.05% 10-07-2027	462,000	461	470
Canadian Imperial Bank of Commerce 5.33% 01-20-2033	630,000	630	637
Canadian Imperial Bank of Commerce 5.35% 04-20-2033	570,000	569	577
Canadian Imperial Bank of Commerce 5.935% 07-14-2026	780,000	780	784
Canadian Imperial Bank of Commerce 7.15% 07-28-2082	494,000	493	491
Canadian National Railway Co. 3.00% 02-08-2029	46,000	51	44
Canadian National Railway Co. 4.40% 05-10-2033	540,000	539	546
Canadian Natural Resources Ltd. 3.42% 12-01-2026	632,000	673	614
Canadian Pacific Railway Ltd. 2.54% 02-28-2028	1,242,000	1,228	1,164
Canadian Pacific Railway Ltd. 3.15% 03-13-2029	579,000	525	550
Canadian Utilities Ltd. 4.851% 06-03-2052	601,000	597	624
Canadian Western Bank 1.926% 04-16-2026	1,608,000	1,617	1,515
Canadian Western Bank 2.597% 09-06-2024	622,000	589	611
Canadian Western Bank 3.859% 04-21-2025	850,000	850	836
Canadian Western Bank 5.00% 07-31-2081	200,000	200	154
Canadian Western Bank 5.146% 09-02-2027	570,000	570	578
Canadian Western Bank 5.261% 12-20-2025	320,000	320	322
Canadian Western Bank 5.937% 12-22-2032	270,000	270	269
Canadian Western Bank 6.00% 04-30-2081	1,753,000	1,798	1,589
Capital Power Corp. 4.284% 09-18-2024	229,000	253	227
Capital Power Corp. 4.986% 01-23-2026	1,720,000	1,838	1,716
Capital Power Corp. 5.816% 09-15-2028	520,000	520	540
Capital Power Corp. 5.973% 01-25-2034	540,000	540	563
Cascades Inc./Cascades USA Inc. 5.125% 01-15-2025	252,000	263	250
CDP Financial Inc. 1.50% 10-19-2026	1,400,000	1,398	1,315
Cenovus Energy Inc. 3.50% 02-07-2028	2,883,000	2,857	2,778
Cenovus Energy Inc. 3.60% 03-10-2027	182,000	177	178
Central 1 Credit Union 5.877% 11-10-2026	420,000	420	430
Choice Properties REIT 2.456% 11-30-2026	300,000	300	283
Choice Properties REIT 2.848% 05-21-2027	382,000	391	361
Choice Properties REIT 3.532% 06-11-2029	344,000	321	325
Choice Properties REIT 5.40% 03-01-2033	1,334,000	1,335	1,368

Tactical Bond Fund (PIM) SF558

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or <u>Par Value</u>	Average <u>Cost</u>	Fair <u>Value</u>
Canadian Bonds (continued)			
Corporate - Non-convertible (continued)			
Choice Properties REIT 5.699% 02-28-2034	690,000	687	723
Choice Properties REIT 6.003% 06-24-2032	62,000	65	66
Coast Capital Savings Federal Credit Union 8.875% 05-02-2033	1,060,000	1,060	1,074
Cogeco Communications Inc. 2.991% 09-22-2031	446,000	446	390
Cogeco Communications Inc. 5.299% 02-16-2033	250,000	250	254
Cologix Data Centers Issuer LLC 4.94% 01-25-2052	84,000	84	78
Cologix Data Centers Issuer LLC 5.68% 01-25-2052	67,000	67	62
Corus Entertainment Inc. 5.00% 05-11-2028	169,000	169	114
Crombie REIT 3.133% 08-12-2031	169,000	169	145
Crombie REIT 3.211% 10-09-2030	11,000	11	10
Crombie REIT 3.677% 08-26-2026	155,000	167	150
Crombie REIT 3.917% 06-21-2027	16,000	16	15
CU Inc. 2.963% 09-07-2049	330,000	254	256
CU Inc. 4.085% 09-02-2044	851,000	845	804
CU Inc. 4.773% 09-14-2052	615,000	615	648
CU Inc. 5.088% 09-20-2053	630,000	630	698
Curaleaf Holdings Inc. 8.00% 12-15-2026	380,000	487	427
Dollarama Inc. 5.084% 10-27-2025	634,000	632	639
Dollarama Inc. 5.533% 09-26-2028	670,000	670	705
Dream Industrial REIT 1.662% 12-22-2025	320,000	320	301
Dream Industrial REIT 2.057% 06-17-2027	3,110,000	3,083	2,831
Dream Industrial REIT 2.539% 12-07-2026	390,000	390	365
Dream Industrial REIT 5.383% 03-22-2028	240,000	240	244
Dream Industrial REIT 5.383% 03-22-2028	390,000	392	396
Emera Inc. 4.838% 05-02-2030	1,230,000	1,163	1,236
Enbridge Gas Inc. 2.35% 09-15-2031	450,000	374	395
Enbridge Gas Inc. 2.37% 08-09-2029	115,000	99	105
Enbridge Gas Inc. 3.20% 09-15-2051	620,000	566	489
Enbridge Gas Inc. 4.55% 08-17-2052	910,000	865	907
Enbridge Gas Inc. 5.70% 10-06-2033	430,000	430	474
Enbridge Inc. 3.10% 09-21-2033	6,001,000	5,929	5,189
Enbridge Inc. 4.90% 05-26-2028	687,000	687	699
Enbridge Inc. 5.375% 09-27-2077	2,119,000	2,148	1,997
Enbridge Inc. 6.625% 04-12-2078	413,000	455	407
Enbridge Inc. 8.495% 01-15-2084	184,000	192	194
Enbridge Inc. 8.747% 01-15-2084	675,000	689	728
Enbridge Pipelines Inc. 4.33% 02-22-2049	297,000	286	261

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	No. of Units, Shares or Par Value	Average Cost	Fair Value
Canadian Bonds (continued)			
Corporate - Non-convertible (continued)			
Enbridge Pipelines Inc. 4.55% 09-29-2045	203,000	182	186
Enbridge Pipelines Inc. 5.82% 08-17-2053	174,000	186	190
Energir LP 4.67% 09-27-2032	460,000	460	471
EPCOR Utilities Inc. 3.106% 07-08-2049	245,000	184	196
EPCOR Utilities Inc. 3.554% 11-27-2047	421,000	432	366
EPCOR Utilities Inc. 4.725% 09-02-2052	620,000	620	650
EPCOR Utilities Inc. 5.326% 10-03-2053	1,050,000	1,081	1,206
Equitable Bank 1.876% 11-26-2025	3,944,000	3,938	3,699
Equitable Bank 3.362% 03-02-2026	445,000	445	428
Fairfax Financial Holdings Ltd. 3.95% 03-03-2031	912,000	879	859
Federation des Caisses Desjardins du Quebec 1.093% 01-21-2026	5,060,000	5,013	4,726
Federation des Caisses Desjardins du Quebec 1.587% 09-10-2026	396,000	396	369
Federation des Caisses Desjardins du Quebec 4.407% 05-19-2027	1,253,000	1,254	1,250
Federation des Caisses Desjardins du Quebec 5.035% 08-23-2032	1,300,000	1,300	1,300
Federation des Caisses Desjardins du Quebec 5.20% 10-01-2025	1,010,000	1,010	1,017
Federation des Caisses Desjardins du Quebec 5.467% 11-17-2028	780,000	780	813
Federation des Caisses Desjardins du Quebec 5.475% 08-16-2028	340,000	340	354
Finning International Inc. 4.445% 05-16-2028	440,000	440	441
First Capital REIT 3.447% 03-01-2028	420,000	371	386
First National Financial Corp. 2.961% 11-17-2025	2,294,000	2,306	2,171
First West Credit Union 9.186% 08-09-2033	470,000	470	497
Ford Credit Canada Co. 2.961% 09-16-2026	280,000	280	264
Ford Credit Canada Co. 6.326% 11-10-2026	510,000	510	523
Ford Credit Canada Co. 6.777% 09-15-2025	1,050,000	1,050	1,073
Ford Credit Canada Co. 7.00% 02-10-2026	1,245,000	1,245	1,282
Ford Credit Canada Co. 7.375% 05-12-2026	664,000	664	692
Fortis Inc. 4.431% 05-31-2029	1,010,000	1,011	1,012
Fortis Inc. 5.677% 11-08-2033	750,000	750	811
FortisBC Energy Inc. 2.54% 07-13-2050	189,000	189	133
General Motors Financial of Canada Ltd. 5.20% 02-09-2028	410,000	410	415
GFL Environmental Inc. 3.50% 09-01-2028 144A	1,227,000	1,461	1,498
GFL Environmental Inc. 6.75% 01-15-2031 144A	298,000	405	407
Gibson Energy Inc. 5.25% 12-22-2030	522,000	522	448
Gibson Energy Inc. 5.75% 07-12-2033	667,000	669	703
Gibson Energy Inc. 8.70% 07-12-2083	274,000	277	285
Granite REIT Holdings LP 2.194% 08-30-2028	1,140,000	1,086	1,018
Granite REIT Holdings LP 2.378% 12-18-2030	136,000	112	116

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	No. of Units, Shares or <u>Par Value</u>	Average <u>Cost</u>	Fair <u>Value</u>
Canadian Bonds (continued)			
Corporate - Non-convertible (continued)			
Granite REIT Holdings LP 3.062% 06-04-2027	1,819,000	1,857	1,723
Greater Toronto Airports Authority 1.54% 05-03-2028	362,000	339	329
Greater Toronto Airports Authority 2.75% 10-17-2039	1,064,000	1,073	870
Greater Toronto Airports Authority 5.63% 06-07-2040	1,132,000	1,620	1,300
Greater Toronto Airports Authority 6.47% 02-02-2034	138,000	160	161
Greater Toronto Airports Authority 7.05% 06-12-2030	389,000	444	449
Greater Toronto Airports Authority 7.10% 06-04-2031	389,000	451	456
H&R REIT 4.071% 06-16-2025	675,000	728	659
Home Trust Co. 5.317% 06-13-2024	630,000	630	627
Honda Canada Finance Inc. 4.873% 09-23-2027	297,000	298	302
Honda Canada Finance Inc. 5.73% 09-28-2028	450,000	450	476
Hydro One Inc. 2.23% 09-17-2031	973,000	904	857
Hydro One Inc. 4.16% 01-27-2033	356,000	356	356
Hydro One Inc. 4.59% 10-09-2043	685,000	647	694
Hydro One Inc. 4.85% 11-30-2054	548,000	548	590
Hydro One Inc. 4.89% 03-13-2037	694,000	676	720
Hydro One Inc. 4.91% 01-27-2028	590,000	590	610
Hydro One Inc. 6.93% 06-01-2032	506,000	589	596
Hydro One Inc. 7.35% 06-03-2030	778,000	892	910
Hydro One Ltd. 1.41% 10-15-2027	366,000	367	334
iA Financial Corp. Inc. 2.40% 02-21-2025	256,000	260	248
iA Financial Corp. Inc. 5.685% 06-20-2033	390,000	390	401
Intact Financial Corp. 4.125% 03-31-2081	150,000	150	133
Intact Financial Corp. 5.459% 09-22-2032 144A	430,000	570	570
Inter Pipeline Ltd. 3.484% 12-16-2026	410,000	433	396
Inter Pipeline Ltd. 4.232% 06-01-2027	863,000	865	848
Inter Pipeline Ltd. 5.71% 05-29-2030	409,000	409	420
Inter Pipeline Ltd. 5.76% 02-17-2028	472,000	471	487
Inter Pipeline Ltd. 6.875% 03-26-2079	280,000	280	270
John Deere Financial Inc. 5.17% 09-15-2028	180,000	177	188
Keyera Corp. 3.959% 05-29-2030	686,000	734	653
Keyera Corp. 5.95% 03-10-2081	500,000	500	444
Kruger Packaging Holdings LP 6.00% 06-01-2026	204,000	220	197
Kruger Products Inc. 5.375% 04-09-2029	91,000	91	82
Laurentian Bank of Canada 1.15% 06-03-2024	450,000	450	442
Laurentian Bank of Canada 4.60% 09-02-2025	780,000	780	771
Laurentian Bank of Canada 5.095% 06-15-2032	1,221,000	1,221	1,163

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	No. of Units, Shares or Par Value	Average Cost	Fair Value
Canadian Bonds (continued)			
Corporate - Non-convertible (continued)			
Loblaw Companies Ltd. 2.284% 05-07-2030	77,000	64	68
Loblaw Companies Ltd. 5.336% 09-13-2052	410,000	410	445
Lower Mattagami Energy LP 2.433% 05-14-2031	520,000	520	465
Lower Mattagami Energy LP 4.854% 10-31-2033	360,000	360	378
Magna International Inc. 4.95% 01-31-2031	550,000	550	566
Manulife Bank of Canada 1.536% 09-14-2026	830,000	830	773
Manulife Bank of Canada 2.864% 02-16-2027	960,000	960	919
Manulife Financial Corp. 3.049% 08-20-2029	2,229,000	2,364	2,193
Manulife Financial Corp. 5.409% 03-10-2033	1,170,000	1,170	1,196
Manulife Financial Corp. 7.117% 06-19-2082	693,000	688	694
Mattamy Group Corp. 4.625% 03-01-2030 144A	49,000	54	60
MCAP Commercial LP 3.743% 08-25-2025	377,000	381	363
MEG Energy Corp. 5.875% 02-01-2029 144A	175,000	229	226
Metro Inc. 3.39% 12-06-2027	3,000,000	3,352	2,920
Metro Inc. 4.657% 02-07-2033	211,000	210	214
National Bank of Canada 1.534% 06-15-2026	440,000	425	411
National Bank of Canada 1.573% 08-18-2026	125,000	125	119
National Bank of Canada 4.05% 08-15-2081	610,000	611	472
National Bank of Canada 4.30% 11-15-2025	853,000	852	804
National Bank of Canada 4.968% 12-07-2026	1,230,000	1,230	1,246
National Bank of Canada 5.023% 02-01-2029	510,000	510	522
National Bank of Canada 5.219% 06-14-2028	1,150,000	1,148	1,184
National Bank of Canada 5.296% 11-03-2025	576,000	577	581
National Bank of Canada 5.426% 08-16-2032	1,280,000	1,280	1,295
North West Redwater Partnership 2.80% 06-01-2027	790,000	820	754
North West Redwater Partnership 3.20% 04-24-2026	1,623,000	1,732	1,581
North West Redwater Partnership 3.65% 06-01-2035	494,000	425	454
North West Redwater Partnership 3.70% 02-23-2043	302,000	274	263
North West Redwater Partnership 4.15% 06-01-2033	1,216,000	1,097	1,183
North West Redwater Partnership 4.25% 06-01-2029	450,000	449	450
North West Redwater Partnership/NWR Financing Co. Ltd. 2.80% 06-01-2031	1,770,000	1,697	1,588
OMERS Finance Trust 2.60% 05-14-2029	451,000	491	427
Parkland Corp. of Canada 3.875% 06-16-2026	1,500,000	1,500	1,438
Parkland Corp. of Canada 4.375% 03-26-2029	2,220,000	2,204	2,050
Parkland Corp. of Canada 6.00% 06-23-2028	579,000	603	581
Pembina Pipeline Corp. 2.99% 01-22-2024	832,000	874	831
Pembina Pipeline Corp. 4.02% 03-27-2028	1,403,000	1,563	1,373

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	No. of Units, Shares or Par Value	Average Cost	Fair Value
Canadian Bonds (continued)			
Corporate - Non-convertible (continued)			
Pembina Pipeline Corp. 4.74% 01-21-2047	119,000	131	108
Pembina Pipeline Corp. 4.81% 03-25-2044	410,000	445	379
Pembina Pipeline Corp. 5.72% 06-22-2026	542,000	542	543
Prime Structured Mortgage Trust 1.856% 11-15-2024	640,000	640	621
Prologis LP 5.25% 01-15-2031	240,000	235	249
PSP Capital Inc. 2.60% 03-01-2032	890,000	887	822
PSP Capital Inc. 4.15% 06-01-2033	81,000	82	83
Reliance LP 2.67% 08-01-2028	540,000	540	488
Reliance LP 2.68% 12-01-2027	500,000	511	459
Reliance LP 3.75% 03-15-2026	204,000	219	199
RioCan REIT 2.361% 03-10-2027	254,000	251	234
RioCan REIT 2.576% 02-12-2025	2,417,000	2,453	2,346
RioCan REIT 2.829% 11-08-2028	608,000	563	545
RioCan REIT 4.628% 05-01-2029	190,000	190	184
RioCan REIT 5.611% 10-06-2027	330,000	330	334
RioCan REIT 5.962% 10-01-2029	670,000	670	690
Rogers Communications Inc. 3.75% 04-15-2029	1,512,000	1,510	1,455
Rogers Communications Inc. 5.00% 12-17-2081	7,922,000	7,352	7,555
Rogers Communications Inc. 5.25% 03-15-2082 144A	1,122,000	1,435	1,431
Rogers Communications Inc. 5.70% 09-21-2028	1,260,000	1,258	1,322
Rogers Communications Inc. 6.68% 11-04-2039	249,000	364	282
Rogers Communications Inc. 6.75% 11-09-2039	429,000	607	490
Royal Bank of Canada 2.14% 11-03-2031	1,095,000	1,069	1,016
Royal Bank of Canada 2.328% 01-28-2027	1,251,000	1,126	1,179
Royal Bank of Canada 2.609% 11-01-2024	1,984,000	1,912	1,943
Royal Bank of Canada 4.612% 07-26-2027	1,873,000	1,852	1,885
Royal Bank of Canada 4.632% 05-01-2028	730,000	730	736
Royal Bank of Canada 4.642% 01-17-2028	1,360,000	1,360	1,371
Royal Bank of Canada 5.01% 02-01-2033	730,000	730	732
Royal Bank of Canada 5.235% 11-02-2026	1,149,000	1,152	1,173
Royal Bank of Canada 5.341% 06-23-2026	790,000	790	805
Russel Metals Inc. 5.75% 10-27-2025	633,000	645	634
Sagen MI Canada Inc. 3.261% 03-05-2031	316,000	314	267
Sagen MI Canada Inc. 4.95% 03-24-2081	340,000	340	296
Saputo Inc. 5.492% 11-20-2030	710,000	710	745
Sienna Senior Living Inc. 2.82% 03-31-2027	190,000	190	175
Sun Life Financial Inc. 2.06% 10-01-2035	1,542,000	1,536	1,297

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	No. of Units, Shares or Par Value	Average Cost	Fair Value
Canadian Bonds (continued)			
Corporate - Non-convertible (continued)			
Sun Life Financial Inc. 2.38% 08-13-2029	1,303,000	1,356	1,279
Sun Life Financial Inc. 2.58% 05-10-2032	1,129,000	1,161	1,055
Sun Life Financial Inc. 2.80% 11-21-2033	872,000	872	800
Sun Life Financial Inc. 4.78% 08-10-2034	1,201,000	1,194	1,202
Sun Life Financial Inc. 5.50% 07-04-2035	509,000	509	526
Suncor Energy Inc. 3.95% 03-04-2051	1,534,000	1,502	1,282
Suncor Energy Inc. 5.40% 11-17-2026	980,000	979	1,004
Superior Plus LP 4.25% 05-18-2028	870,000	865	809
Tamarack Valley Energy Ltd. 7.25% 05-10-2027	137,000	129	135
TELUS Corp. 2.05% 10-07-2030	542,000	522	464
TELUS Corp. 2.85% 11-13-2031	307,000	256	271
TELUS Corp. 3.15% 02-19-2030	161,000	171	149
TELUS Corp. 3.30% 05-02-2029	1,343,000	1,339	1,274
TELUS Corp. 4.70% 03-06-2048	598,000	485	556
TELUS Corp. 4.95% 03-28-2033	360,000	359	364
Teranet Holdings LP 3.544% 06-11-2025	734,000	767	714
Teranet Holdings LP 3.719% 02-23-2029	1,270,000	1,270	1,186
The Bank of Nova Scotia 2.95% 03-08-2027	217,000	207	207
The Bank of Nova Scotia 3.934% 05-03-2032	615,000	615	594
The Bank of Nova Scotia 5.50% 05-08-2026	2,111,000	2,101	2,156
The Bank of Nova Scotia 5.50% 12-29-2025	1,433,000	1,432	1,455
The Bank of Nova Scotia 5.679% 08-02-2033	480,000	480	493
The Bank of Nova Scotia 7.023% 07-27-2082	1,595,000	1,586	1,576
The Empire Life Insurance Co. 3.625% 04-17-2026	234,000	234	183
The Empire Life Insurance Co. 5.503% 01-13-2033	370,000	370	373
The Independent Order of Foresters 2.885% 10-15-2035	907,000	908	773
The Toronto-Dominion Bank 2.26% 01-07-2027	529,000	529	498
The Toronto-Dominion Bank 3.06% 01-26-2032	1,914,000	2,017	1,817
The Toronto-Dominion Bank 3.105% 04-22-2030	2,812,000	2,696	2,735
The Toronto-Dominion Bank 4.21% 06-01-2027	2,129,000	2,098	2,114
The Toronto-Dominion Bank 4.34% 01-27-2026	1,556,000	1,536	1,551
The Toronto-Dominion Bank 4.477% 01-18-2028	1,652,000	1,645	1,654
The Toronto-Dominion Bank 4.68% 01-08-2029	820,000	820	830
The Toronto-Dominion Bank 5.376% 10-21-2027	690,000	690	712
The Toronto-Dominion Bank 5.423% 07-10-2026	740,000	740	756
The Toronto-Dominion Bank 5.491% 09-08-2028	1,127,000	1,127	1,179
TMX Group Ltd. 2.016% 02-12-2031	279,000	279	238

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	No. of Units, Shares or Par Value	Average Cost	Fair Value
Canadian Bonds (continued)			
Corporate - Non-convertible (continued)			
Toronto Hydro Corp. 4.61% 06-14-2033	806,000	805	831
Tourmaline Oil Corp. 2.529% 02-12-2029	300,000	300	274
Toyota Credit Canada Inc. 4.45% 01-26-2026	465,000	461	464
TransCanada PipeLines Ltd. 3.80% 04-05-2027	738,000	819	724
TransCanada PipeLines Ltd. 4.34% 10-15-2049	591,000	501	512
TransCanada PipeLines Ltd. 5.277% 07-15-2030	1,190,000	1,190	1,230
TransCanada PipeLines Ltd. Floating Rate 05-18-2077	4,054,000	3,856	3,707
TransCanada Trust 4.20% 03-04-2081	965,000	965	796
TransCanada Trust 5.30% 03-15-2077	75,000	89	89
Transcontinental Inc. 2.667% 02-03-2025	200,000	189	193
Vancouver Airport Authority 1.76% 09-20-2030	257,000	221	224
Vancouver Airport Fuel Facilities Corp. 2.168% 06-23-2025	125,000	125	120
Ventas Canada Finance Ltd. 5.398% 04-21-2028	800,000	800	815
Vermilion Energy Inc. 6.875% 05-01-2030 144A	65,000	84	83
Videotron Ltd. 3.125% 01-15-2031	1,133,000	1,083	971
Videotron Ltd. 4.50% 01-15-2030	1,097,000	1,177	1,037
Videotron Ltd./Videotron Ltee. 3.625% 06-15-2028	760,000	760	709
Waste Management of Canada Corp. 2.60% 09-23-2026	878,000	930	841
WSP Global Inc. 2.408% 04-19-2028	1,020,000	1,027	940
Total Corporate - Non-convertible		267,177	259,689
Corporate - Convertible			
The Cannabist Company Holdings Inc. 6.00% 06-29-2025 Conv.	63,000	77	65
Total Corporate - Convertible		77	65
Mortgage Backed			
First National Financial Corp. 3.84% 11-01-2028	10,268,000	9,921	10,194
Total Mortgage Backed		9,921	10,194
Total Canadian Bonds		467,837	457,448
United States Bonds			
Federal Government			
United States Treasury Inflation Index 0.125% 02-15-2051 Real Return	3,771,000	3,901	3,675

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United States Bonds (continued)			
Federal Government (continued)			
United States Treasury Inflation Index 0.125% 02-15-2052 Real Return	1,989,000	2,875	1,796
United States Treasury Inflation Index 0.50% 04-15-2024 Real Return	8,760,000	13,907	13,988
United States Treasury Inflation Index 1.50% 02-15-2053 Real Return	3,976,000	5,163	4,965
Total Federal Government		25,846	24,424
Corporate - Non-convertible			
Air Lease Corp. 5.40% 06-01-2028	610,000	604	625
Amazon.com Inc. 3.95% 04-13-2052	892,000	1,063	1,038
Amazon.com Inc. 4.70% 12-01-2032	1,070,000	1,453	1,458
Athene Global Funding 2.47% 06-09-2028	171,000	154	153
Bank of America Corp. 1.978% 09-15-2027	645,000	634	601
Bank of America Corp. 2.598% 04-04-2029	520,000	520	478
Bank of America Corp. 3.615% 03-16-2028	1,728,000	1,662	1,676
Bimbo Bakeries USA Inc. 6.05% 01-15-2029	600,000	829	837
Broadcom Inc. 4.11% 09-15-2028	820,000	1,046	1,062
Charter Communications Operating LLC 5.05% 03-30-2029	829,000	1,041	1,089
DIRECTV Holdings LLC/DIRECTV Financing Co. 5.875% 08-15-2027 144A	104,000	131	129
Glencore Funding LLC 5.40% 05-08-2028 144A	130,000	177	175
Go Daddy Operating Co. LLC/GD Finance Co. Inc. 3.50% 03-01-2029 144A	5,000	6	6
JPMorgan Chase & Co. 1.896% 03-05-2028	1,230,000	1,230	1,137
LGI Homes Inc. 8.75% 12-15-2028 144A	30,000	41	42
Micron Technology Inc. 5.375% 04-15-2028	820,000	1,102	1,108
Nestle Holdings Inc. 2.192% 01-26-2029	630,000	630	582
NextEra Energy Capital Holdings Inc. 1.90% 06-15-2028	360,000	433	424
Pfizer Investment Enterprises Pte. Ltd. 4.65% 05-19-2030	2,380,000	3,202	3,178
Pfizer Investment Enterprises Pte. Ltd. 4.75% 05-19-2033	730,000	982	969
Tenet Healthcare Corp. 4.375% 01-15-2030	95,000	127	117
The Goldman Sachs Group Inc. 2.013% 02-28-2028	370,000	370	333
The Goldman Sachs Group Inc. 2.599% 11-30-2027	1,180,000	1,180	1,112
The Walt Disney Co. 3.057% 03-30-2027	2,331,000	2,468	2,252
T-Mobile USA Inc. 3.75% 04-15-2027	823,000	1,026	1,058
T-Mobile USA Inc. 4.95% 03-15-2028	519,000	697	699
T-Mobile USA Inc. 5.20% 01-15-2033	900,000	1,174	1,223
Univision Communications Inc. 4.50% 05-01-2029 144A	130,000	158	154
Verizon Communications Inc. 2.375% 03-22-2028	1,219,000	1,144	1,128
Wells Fargo & Co. 2.975% 05-19-2026	350,000	378	337

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	No. of Units, Shares or Par Value	Average Cost	Fair Value
United States Bonds (continued)			
Corporate - Non-convertible (continued)			
Zoetis Inc. 2.00% 05-15-2030	870,000	955	995
Total Corporate - Non-convertible		26,617	26,175
Total United States Bonds		52,463	50,599
Global Bonds			
Australia			
Transurban Finance Co. Pty Ltd. 4.555% 11-14-2028	187,000	205	186
Austria			
Suzano Austria GmbH 2.50% 09-15-2028	625,000	761	728
British Virgin Islands			
Sino-Ocean Land Treasure IV Ltd. 2.70% 01-13-2025	350,000	153	44
Sino-Ocean Land Treasure IV Ltd. 4.75% 08-05-2029	200,000	103	21
Cayman Islands			
CIFI Holdings Group Co. Ltd. 6.00% 07-16-2025	200,000	64	18
Country Garden Holdings Co. Ltd. 2.70% 07-12-2026	350,000	303	38
Country Garden Holdings Co. Ltd. 5.625% 01-14-2030	220,000	63	24
Kaisa Group Holdings Ltd. 10.50% 09-07-2022 ⁽¹⁾	500,000	356	25
Kaisa Group Holdings Ltd. 8.65% 07-22-2022 ⁽¹⁾	200,000	91	10
Kaisa Group Holdings Ltd. 9.375% 06-30-2024	300,000	281	16
Logan Group Co. Ltd. 4.70% 07-06-2026	515,000	418	47
Sunac China Holdings Ltd. 1.00% 09-30-2032	24,456	7	3
Sunac China Holdings Ltd. 6.00% 09-30-2025	19,784	5	3
Sunac China Holdings Ltd. 6.25% 09-30-2026	19,784	5	3
Sunac China Holdings Ltd. 6.50% 09-30-2027	39,569	11	5
Sunac China Holdings Ltd. 6.75% 09-30-2028	59,354	16	7
Sunac China Holdings Ltd. 7.00% 09-30-2029	59,354	16	6
Sunac China Holdings Ltd. 7.25% 09-30-2030	27,886	8	2

⁽¹⁾ This security was past due as at December 31, 2023. The term-to-maturity for this security is disclosed as 1 year or less in the Interest Rate Risk note within the Notes to the Schedule of Investment Portfolio.

Tactical Bond Fund (PIM) SF558

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or Par Value	Average Cost	Fair Value
Global Bonds (continued)			
Chile			
Colbun SA 3.15% 01-19-2032	540,000	667	619
Inversiones CMPC SA 3.00% 04-06-2031	205,000	256	231
Colombia			
Interconexion Electrica SA ESP 3.825% 11-26-2033	260,000	290	292
Ireland			
AerCap Ireland Capital DAC/AerCap Global Aviation Trust 3.00% 10-29-2028	409,000	475	495
Jazz Securities Designated Activity Co. 4.375% 01-15-2029 144A	200,000	250	247
Japan			
Renesas Electronics Corp. 1.543% 11-26-2024	480,000	605	612
Jersey			
Heathrow Funding Ltd. 2.694% 10-13-2027	411,000	411	385
Heathrow Funding Ltd. 3.40% 03-08-2028	449,000	462	429
Heathrow Funding Ltd. 3.726% 04-13-2033	870,000	855	787
Heathrow Funding Ltd. 3.782% 09-04-2030	333,000	329	315
Luxembourg			
Aroundtown SA 4.625% 09-18-2025	588,000	618	568
Mexico			
America Movil SAB de CV 5.375% 04-04-2032	480,000	599	592
Becle SAB de CV 2.50% 10-14-2031	650,000	815	693
Netherlands			
NXP BV/NXP Funding LLC/NXP USA Inc. 2.65% 02-15-2032	220,000	281	246
United Kingdom			
Anglian Water Services Financing PLC 4.525% 08-26-2032	490,000	490	478

Tactical Bond Fund (PIM) SF558

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or Par Value	Average Cost	Fair Value
Global Bonds (continued)			
Supra - National			
International Bank for Reconstruction and Development 0.00% 03-31-2027	750,000	893	918
International Bank for Reconstruction and Development 1.95% 09-20-2029	496,000	523	456
Total Global Bonds		11,685	9,549
Total Bonds		531,985	517,596
Canadian Common Stock			
Exchange Traded Funds			
BMO High Yield US Corporate Bond Hedged to CAD Index ETF	105,258	1,372	1,179
Mackenzie Canadian Aggregate Bond Index ETF *	140,000	12,776	13,043
Total Canadian Common Stock		14,148	14,222
Canadian Preferred Stock			
Communication Services			
BCE Inc. 2.75% Preferred	1,100	18	17
BCE Inc. 3.61% Preferred	5,540	86	91
BCE Inc. 4.13% Preferred	479	9	7
Consumer Staples			
Loblaw Companies Ltd. 5.30% Preferred	2,136	56	45
Energy			
TransAlta Corp. 4.027% Preferred	1,650	31	29
Financials			
Brookfield Corp. 4.80% Preferred Conv.	3,072	78	60
Utilities			
Emera Inc. 4.25% Preferred	526	13	9
Emera Inc. 4.60% Preferred	5,175	129	87
TransAlta Corp. 2.709% Preferred	2,860	36	35
Total Canadian Preferred Stock		456	380

*The issuer of this security is a related company to the issuer of the Fund.

Tactical Bond Fund (PIM) SF558

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or <u>Par Value</u>	<u>Average Cost</u>	<u>Fair Value</u>
Global Preferred Stock			
Bermuda			
Brookfield Renewable Partners LP 5.00% Preferred	2,411	60	44
Total Global Preferred Stock		60	44
Total Stocks		14,664	14,646

Tactical Bond Fund (PIM) SF558

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, contracts, shares, par value or contract price)

As at December 31, 2023

Schedule of Derivative Contracts

Forward Currency Contracts

Contract Price	Settlement Date	Purchased Currency		Sold Currency		Unrealized Gain (Loss)
		Currency	Value as at December 31	Currency	Value as at December 31	
1.3596	January 11, 2024	Canadian Dollar	3,080	United States Dollar	3,021	59
1.3572	January 11, 2024	Canadian Dollar	211	United States Dollar	207	4
1.3461	January 18, 2024	Canadian Dollar	6,821	United States Dollar	6,740	81
1.3445	January 18, 2024	Canadian Dollar	6,750	United States Dollar	6,676	74
1.3463	January 18, 2024	Canadian Dollar	5,431	United States Dollar	5,365	66
1.3601	January 24, 2024	Canadian Dollar	7,345	United States Dollar	7,201	144
1.3488	January 24, 2024	Canadian Dollar	4,020	United States Dollar	3,966	54
1.3688	February 4, 2024	Canadian Dollar	3,100	United States Dollar	3,024	76
1.3364	February 4, 2024	Canadian Dollar	10,142	United States Dollar	10,074	68
1.3643	February 8, 2024	Canadian Dollar	13,640	United States Dollar	13,339	301
1.3487	February 8, 2024	Canadian Dollar	9,024	United States Dollar	8,901	123
1.3408	February 8, 2024	Canadian Dollar	8,080	United States Dollar	8,005	75
1.3395	February 8, 2024	Canadian Dollar	5,998	United States Dollar	5,947	51
1.3398	February 8, 2024	Canadian Dollar	2,076	United States Dollar	2,058	18
1.3833	February 15, 2024	Canadian Dollar	4,058	United States Dollar	3,927	131
1.3680	February 15, 2024	Canadian Dollar	3,080	United States Dollar	3,005	75
1.3824	February 15, 2024	Canadian Dollar	1,371	United States Dollar	1,328	43
					Derivatives - Assets	1,443
0.7312	January 11, 2024	United States Dollar	1,965	Canadian Dollar	2,028	(63)
0.7299	January 18, 2024	United States Dollar	927	Canadian Dollar	959	(32)
0.7303	January 18, 2024	United States Dollar	1,162	Canadian Dollar	1,201	(39)
0.7340	January 24, 2024	United States Dollar	2,904	Canadian Dollar	2,986	(82)
0.7226	January 24, 2024	United States Dollar	2,472	Canadian Dollar	2,582	(110)
0.7344	February 8, 2024	United States Dollar	4,839	Canadian Dollar	4,976	(137)
					Derivatives - Liabilities	(463)
Total Forward Currency Contracts						980

Tactical Bond Fund (PIM) SF558

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, contracts, shares, par value or contract price)

As at December 31, 2023

Schedule of Derivative Contracts

Futures Contracts

No. of Contracts	Average Contract Price	Futures Contracts	Maturity Date	Notional Amount	Price as at December 31	Unrealized Gain (Loss)
(37)	CAD 145.33	JPN 10YR BOND (OSE) 03-31-2024	March 31, 2024	JPY 5,428,270	CAD 146.71	118
177	CAD 110.34	CAN 5YR BOND 03-31-2024	March 31, 2024	CAD 19,946	CAD 112.69	54
53	CAD 109.33	US 10YR NOTE 03-31-2024	March 31, 2024	USD 5,983	CAD 112.89	-
					Derivatives - Assets	172
50	CAD 122.78	US ULTRA BOND 03-31-2024	March 31, 2024	USD 6,680	CAD 133.59	(35)
					Derivatives - Liabilities	(35)
Total Futures Contracts						137

Total Derivative Instruments at Fair Value

1,117

Transaction Costs (note 2)

(1)

Total Investments

546,648

533,359

Tactical Bond Fund (PIM) SF558

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

Introduction

The objective of the Tactical Bond Fund (PIM) SF558 (the Fund) in managing risk is the creation and protection of contractholder value. Risk is inherent in the Fund's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. The process of risk management is critical to the Fund's continuing profitability. The Fund can be exposed to liquidity risk, market risk (which includes currency risk, interest rate risk and other price risk) and credit risk arising from the financial instruments it holds.

A. Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023, and groups the securities by asset type, geographic region and/or market segment. The following sections describe the significant risks that are relevant to the Fund.

To assist with managing risk, The Canada Life Assurance Company (Canada Life or the Company) maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and other regulations.

B. Liquidity Risk

Liquidity risk arises when a fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units by contractholders. The Fund retains sufficient cash and cash equivalent positions to maintain adequate liquidity to meet the obligation to fund daily cash redemptions of their redeemable units.

Some securities are illiquid due to legal restrictions on their resale, the nature of the investment, or simply a lack of interested buyers for a particular security or security type. Certain securities may become less liquid due to changes in market conditions, such as interest rate changes or market volatility, which could impair the ability of a fund to sell such securities quickly.

In accordance with the Fund's policy, the Company monitors the Fund's liquidity positions on a regular basis.

C. Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The classifications used on the Schedule of Investment Portfolio for the financial instruments are based on the country of issue.

The table below indicates the foreign currencies to which the Fund had significant exposure as at December 31, 2023 in Canadian dollar terms, including the underlying principal amount of forward currency contracts, if any. The table also illustrates the potential impact to the Fund's net assets attributable to contractholders, all other variables held constant, as a result of a 1% change in these currencies relative to the Canadian dollar. In practice, the actual results may differ from this sensitivity analysis and the difference could be significant.

2023

Currency	Investments	Cash, Short-term Deposits and Overdrafts	Total*	Impact on Net Assets Attributable to Contractholders
United States Dollar	\$ (4,202)	\$ 3,204	\$ (998)	\$ (10)
Other Currencies	—	(79)	(79)	(1)
Total	\$ (4,202)	\$ 3,125	\$ (1,077)	\$ (11)
As Percent of Net Assets Attributable to Contractholders			(0.2%)	—%

*Includes both monetary and non-monetary instruments

Tactical Bond Fund (PIM) SF558

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

C. Currency Risk (continued)

2022						
Currency	Investments	Cash, Short-term Deposits and Overdrafts	Total*	Impact on Net Assets Attributable to Contractholders		
United States Dollar	\$ (1,524)	\$ 13,473	\$ 11,949	\$		119
Other Currencies	—	(65)	(65)			—
Total	\$ (1,524)	\$ 13,408	\$ 11,884	\$	2.3%	—%

As Percent of Net Assets

Attributable to Contractholders

2.3%

—%

*Includes both monetary and non-monetary instruments

D. Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund is exposed to the risk that the value of interest-bearing financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. Due to the nature of short-term fixed income securities with a remaining term-to-maturity of less than one year, these investments are not generally exposed to a significant risk that their value will fluctuate in response to changes in the prevailing levels of market interest rates. The risk is professionally managed at the security and fund level by the Company.

The table below summarizes the Fund's exposure to interest rate risk by remaining term-to-maturity.

2023						
	1 year or less	Over 1 year to 5 years	Over 5 years to 10 years	Over 10 years	Total	
Bonds	\$ 28,965	\$ 154,802	\$ 194,241	\$ 139,588	\$	517,596

December 31, 2022						
	1 year or less	Over 1 year to 5 years	Over 5 years to 10 years	Over 10 years	Total	
Bonds	\$ 15,401	\$ 138,188	\$ 166,186	\$ 131,525	\$	451,300

As at December 31, 2023, had prevailing interest rates increased or decreased by 1% assuming a parallel shift in the yield curve, with all other variables held constant, net assets attributable to contractholders would have decreased or increased, respectively, by approximately \$35,127 (\$33,156 at December 31, 2022) or approximately 6.4% (6.5% at December 31, 2022). The Fund's sensitivity to interest rate changes was estimated using the weighted average duration of the bond portfolio. In practice, the actual results may differ and the difference could be significant.

E. Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund's greatest concentration of credit risk is in debt securities, such as bonds. The fair value of debt instruments includes consideration of the creditworthiness of the debt issuer. The carrying amount of debt instruments represents the maximum credit risk exposure as at December 31, 2023. The amount of credit risk to any one issuer may be determined from the information reported in the Schedule of Investment Portfolio. The Fund may invest in short-term fixed income securities issued or guaranteed primarily by the Government of Canada or any Canadian provincial government, obligations of Canadian chartered banks or trust companies, and commercial paper with approved credit ratings. The risk of default on these short-term fixed income securities is considered low. The Company monitors credit risk and credit ratings on a regular basis. All new counterparties to financial instruments are subject to an approval process.

There was no change in fair values of financial liabilities as a result of changes in credit risks during 2023 or 2022.

Tactical Bond Fund (PIM) SF558

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

E. Credit Risk (continued)

All transactions in listed securities are settled and paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker.

Credit ratings disclosed below are obtained from independent rating agencies including DBRS, Standard & Poor's, Moody's Investors Service and Fitch Ratings. The lowest rating provided by the agencies is used.

Debt securities by credit rating are as follows:

	2023		2022	
	Percent of Total Bonds (%)	Percent of Total Net Assets Attributable to Contractholders (%)	Percent of Total Bonds (%)	Percent of Total Net Assets Attributable to Contractholders (%)
AAA	4.9	4.6	3.8	3.3
AA	28.3	26.6	25.3	22.4
A	33.0	30.9	35.2	31.1
BBB	25.8	24.1	29.5	26.1
BB and lower	7.7	7.2	5.8	5.1
NR *	0.3	0.3	0.4	0.4
Total	100.0	93.7	100.0	88.4

*Bonds disclosed as NR are mortgage backed securities or privately placed bonds or bonds that have not been rated by a rating agency.

F. Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. The Fund Manager moderates this risk through careful selection of securities and other financial instruments within the parameters of the investment strategy. The maximum risk resulting from financial instruments is equivalent to their fair value.

For the Fund, the most significant exposure to other price risk arises from its investment in equity securities. As at December 31, 2023, had the prices on the respective stock exchanges for these securities increased or decreased by 1%, with all other variables held constant, assets would have increased (or decreased) by approximately \$146 (\$220 at December 31, 2022) or approximately 0.0% (0.0% at December 31, 2022) of total net assets attributable to contractholders. In practice, the actual results may differ and the difference could be significant.

Tactical Bond Fund (PIM) SF558

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

G. Fair Value Classification

The following table presents information about the Fund's assets and liabilities measured at fair value on a recurring basis and indicates the fair value hierarchy of the valuation techniques utilized by the Fund to determine such fair value:

	2023			
	Assets and Liabilities Measured at Fair Value			
<u>Assets measured at fair value</u>	Level 1	Level 2	Level 3	Total
Bonds	\$ —	\$ 517,391	\$ 205	\$ 517,596
Stocks	14,646	—	—	14,646
Derivatives	172	1,443	—	1,615
Total assets measured at fair value	\$ 14,818	\$ 518,834	\$ 205	\$ 533,857
Liabilities measured at fair value				
Derivatives ⁽¹⁾	\$ 35	\$ 463	\$ —	\$ 498
Net assets attributable to contractholders measured at fair value	\$ 14,783	\$ 518,371	\$ 205	\$ 533,359

⁽¹⁾ Excludes collateral pledged to counterparties of \$1,708.

	2022			
	Assets and Liabilities Measured at Fair Value			
<u>Assets measured at fair value</u>	Level 1	Level 2	Level 3	Total
Bonds	\$ —	\$ 451,076	\$ 224	\$ 451,300
Stocks	21,985	—	—	21,985
Derivatives	229	164	—	393
Total assets measured at fair value	\$ 22,214	\$ 451,240	\$ 224	\$ 473,678
Liabilities measured at fair value				
Derivatives ⁽¹⁾	\$ —	\$ 1,494	\$ —	\$ 1,494
Net assets attributable to contractholders measured at fair value	\$ 22,214	\$ 449,746	\$ 224	\$ 472,184

⁽¹⁾ Excludes collateral pledged to counterparties of \$2,214.

There were no significant transfers between Level 1 and Level 2 during 2023 or 2022.

Tactical Bond Fund (PIM) SF558

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

G. Fair Value Classification (continued)

The following table presents additional information about assets measured at fair value on a recurring basis and for which the Fund has utilized Level 3 inputs to determine fair value:

	<u>2023</u>	<u>2022</u>
	<u>Bonds</u>	<u>Bonds</u>
Balance, beginning of year	\$ 224	\$ 80
Total gain (loss) included in net assets from operations attributable to contractholders	(19)	(7)
Purchases	—	151
Sales	—	—
Settlements	—	—
Transfers into Level 3	—	—
Transfers out of Level 3	—	—
Balance, end of year	\$ 205	\$ 224
Total gain (loss) for the year included in net gain (loss) on investments for Level 3 assets held at the end of year	\$ (19)	\$ (7)

Tactical Bond Fund (PIM) SF558

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance. Portfolio units are allocated to each category as described in note 3 and are not included on this page.

Net Assets Attributable to Contractholders by Category

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
75/75 guarantee policy	147,613	142,695	179,576	687,691	512,433	1,387	1,279	1,845	7,376	5,105
75/100 guarantee policy	573,690	472,909	278,443	341,010	42,143	5,375	4,232	2,858	3,655	420
100/100 guarantee policy	60,677	36,532	15,604	13,541	—	567	326	160	145	—
PS1 75/75 guarantee policy	106,877	97,373	57,864	25,319	15,018	1,032	891	603	274	150
PS1 75/100 guarantee policy	161,058	238,183	68,733	72,777	13,019	1,551	2,177	716	786	130
PS1 100/100 guarantee policy	135,020	97,509	3,199	3,199	—	1,294	888	33	35	—
PS2 75/75 guarantee policy	—	—	—	5,652	—	—	—	—	62	—
PS2 75/100 guarantee policy	26,139	27,330	29,835	31,713	—	267	261	321	348	—
PS 75/75 guarantee policy	3,263	3,267	2,677	—	—	31	30	28	—	—
PS 75/100 guarantee policy	60,192	50,840	35,397	27,571	—	577	463	368	297	—
PPS 75/100 guarantee policy	21,978	13,382	11,932	11,994	11,739	217	124	126	130	117

Net Assets Attributable to Contractholders Per Unit (note 6)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
75/75 guarantee policy	9.40	8.97	10.28	10.73	9.96	0.43	(1.31)
75/100 guarantee policy	9.37	8.95	10.26	10.72	9.96	0.42	(1.31)
100/100 guarantee policy	9.34	8.93	10.25	10.71	—	0.41	(1.32)
PS1 75/75 guarantee policy	9.65	9.16	10.43	10.81	9.97	0.49	(1.27)
PS1 75/100 guarantee policy	9.63	9.14	10.41	10.80	9.97	0.49	(1.27)
PS1 100/100 guarantee policy	9.59	9.11	10.39	10.79	—	0.48	(1.28)
PS2 75/75 guarantee policy	—	—	—	10.98	—	—	—
PS2 75/100 guarantee policy	10.22	9.56	10.74	10.98	—	0.66	(1.18)
PS 75/75 guarantee policy	9.62	9.12	10.40	—	—	0.50	(1.28)
PS 75/100 guarantee policy	9.59	9.10	10.39	10.79	—	0.49	(1.29)
PPS 75/100 guarantee policy	9.85	9.30	10.54	10.87	9.98	0.55	(1.24)

Tactical Bond Fund (PIM) SF558

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Fund is offered by The Canada Life Assurance Company.

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

Tactical Bond Fund (PIM) SF558

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

Tactical Bond Fund (PIM) SF558

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in fair value measurements in the notes to the Schedule of Investment Portfolio.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

Tactical Bond Fund (PIM) SF558

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Bonds and Stocks

Bonds and stocks are recorded at fair value determined with reference to closing quoted market prices, where the last traded price falls within the day's bid-ask spread, primarily provided by third party independent pricing sources. Fair values are determined on the basis of the closing price for a security on the recognized exchange on which it is principally traded at each reporting date. In circumstances where the last traded price is not within the bid-ask spread, the Company determines the point when the bid-ask spread that is most representative of fair value based on the specific facts and circumstances.

The fair value of unlisted securities is established using quotations determined by a major dealer in a particular security. Should the quoted value for a security, in the opinion of the Fund Manager, be inaccurate, unreliable, or not readily available, the value of the security is estimated using valuation techniques. Valuation techniques include the market approach (using recent arm's-length market transactions adjusted as necessary and reference to the current market value of another instrument that is substantially the same) and the income approach (discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible).

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Derivatives

Derivatives are classified and measured at fair value. Derivatives are valued using market transactions and other market evidence whenever possible, including market based inputs to models, broker or dealer quotations or alternative pricing sources with reasonable levels of transparency. When models are used, the selection of a particular model to value a derivative depends on the contractual terms of, and specific risks inherent in, the instrument, as well as the availability of pricing information in the market. The Company generally uses similar models to value similar instruments. Valuation models require a variety of inputs, including contractual terms, market prices and rates, yield curves, credit curves, measures volatility, prepayment rates and correlations of such inputs.

f) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

Tactical Bond Fund (PIM) SF558

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

g) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

Interest income on debt securities - included in the change in fair value of such investments and recorded on the accrual basis.

Dividend income - accrued as of the ex-dividend date and recorded on the accrual basis.

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

Miscellaneous income (loss)

Miscellaneous income (loss) generally includes the changes in foreign exchange rates between trade and settlement dates, foreign exchange rates on bank balances, securities lending income, derivative income, and management fee rebates.

h) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Tactical Bond Fund (PIM) SF558

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

i) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

j) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

k) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

l) Income Allocation

Net gain (loss) on investments, which includes dividend income, interest income, realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the net asset value (NAV) per unit.

m) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

n) Transaction Costs

Transaction costs, such as brokerage commissions, incurred in the purchase and sale of securities by the Fund are charged to expenses in the year.

Tactical Bond Fund (PIM) SF558

Notes to the Financial Statements

(in Canadian \$ thousands)

3. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Emperor,
- Flex,
- Generations/Mosaic,
- Generations I,
- Generations II,
- Generations Core,
- Prestige/Prestige Plus, and
- Private Collections.

In addition to the Individual units, units are available for:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

Portfolio units are those units owned by the Asset Allocation Funds. Each Portfolio fund is represented by a separate category.

The categories of units are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

4. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

Tactical Bond Fund (PIM) SF558

Notes to the Financial Statements

(in Canadian \$ thousands)

5. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

6. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

The NAV per unit for group contractholders has not been shown because it will vary for each sub-class within the group contractholder class based on negotiated expense levels and other factors.

7. DERIVATIVE FINANCIAL INSTRUMENTS

Derivative contracts, including forward currency, futures and equity swap contracts, are valued at the gain or loss that would arise as a result of closing the position at the reporting date. Options are recorded at fair value as at the reporting date. The Fund may use derivative contracts to hedge against losses caused by changes in securities prices, interest rates, exchange rates and/or other risks. The Fund may also use derivative contracts for non-hedging purposes in order to invest indirectly in financial markets or to gain exposure to other currencies, provided the use of such derivatives is consistent with the Fund's investment objectives and strategies. Foreign currency risk and exposure may be direct or indirect and can include all or a portion of the currency exposure of an existing investment or group of investments. Any such gain or loss on derivative contracts is recorded as part of net gain (loss) on investments.

As at the reporting date, the unrealized gain (loss) on derivative contracts is reflected on the Statement of Financial Position of the Fund.

The Fund manages derivative credit risk through collateral arrangements where required. The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are implemented by the Fund regarding the acceptability of types of collateral and the valuation parameters. The Fund Manager monitors the value of the collateral and requests additional collateral when needed.

Tactical Bond Fund (PIM) SF558

Notes to the Financial Statements

(in Canadian \$ thousands)

8. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.
- c) The Fund invests in assets or underlying funds managed by Mackenzie Financial Corporation, which operates as Mackenzie Investments. All investment transactions with the corresponding underlying funds are at quoted market prices.

Tactical Bond Fund (PIM) SF558

Supplemental Information (unaudited)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾

For the years ended December 31	2023	2022	2021	2020	2019
75/75 guarantee policy	1.95	2.00	2.10	2.04	2.05
75/100 guarantee policy	2.06	2.07	2.14	2.09	2.10
100/100 guarantee policy	2.18	2.15	2.19	2.14	—
PS1 75/75 guarantee policy	1.38	1.37	1.39	1.37	1.37
PS1 75/100 guarantee policy	1.44	1.41	1.45	1.42	1.43
PS1 100/100 guarantee policy	1.55	1.54	1.57	1.52	—
PS 75/75 guarantee policy	1.40	1.43	1.51	—	—
PS 75/100 guarantee policy	1.51	1.52	1.58	1.54	—
PPS 75/100 guarantee policy	0.89	0.88	0.89	0.88	0.88

Portfolio Turnover Rate (%) ⁽²⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	73.67	84.23	70.06	51.90	15.86

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
U.S. EQUITY FUND (LC) SF559

December 31, 2023

Independent Auditor's Report

To the Contractholders of U.S. Equity Fund (LC) SF559 (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

U.S. Equity Fund (LC) SF559

(in Canadian \$ thousands)

Fund Manager: Mackenzie Investments

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ 1,054	\$ 1,852
Investment income due and accrued	28	11
Due from The Canada Life Assurance Company (note 7)	59	—
Due from brokers	—	—
Due from outside parties	—	—
Investments		
Bonds	—	—
Stocks	28,768	19,531
Investment fund units	—	—
Total investments	28,768	19,531
Total assets	\$ 29,909	\$ 21,394
Liabilities		
Overdrafts	\$ —	\$ —
Due to The Canada Life Assurance Company (note 7)	—	37
Due to brokers	—	—
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	—	37
Net assets attributable to contractholders	\$ 29,909	\$ 21,357

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 3,658	\$ (5,166)
Miscellaneous income (loss)	2	(11)
Total income (loss)	3,660	(5,177)
Expenses		
Management fees (note 7)	584	415
Transaction costs	11	10
Withholding taxes	28	21
Other	62	46
Total expenses	685	492
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 2,975	\$ (5,669)

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year		
	\$ 21,357	\$ 27,547
Contractholder deposits	8,299	12,500
Contractholder withdrawals	(2,722)	(13,021)
Increase (decrease) in net assets from operations attributable to contractholders	2,975	(5,669)
Change in net assets attributable to contractholders	8,552	(6,190)
Net assets attributable to contractholders - end of year	\$ 29,909	\$ 21,357

U.S. Equity Fund (LC) SF559

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 2,975	\$ (5,669)
Adjustments		
Realized (gains) losses	(485)	1,524
Unrealized (gains) losses	(2,894)	3,839
Gross proceeds of disposition of investments	9,022	23,660
Gross payments for the purchase of investments	(14,880)	(21,919)
Change in investment income due and accrued	(17)	7
Change in due from/to The Canada Life Assurance Company	(96)	115
Change in due from/to brokers	—	—
Change in due from/to outside parties	—	—
	<u>(6,375)</u>	<u>1,557</u>
Financing Activities		
Contractholder deposits	8,299	12,500
Contractholder withdrawals	(2,722)	(13,021)
	<u>5,577</u>	<u>(521)</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	(798)	1,036
Cash, short-term deposits and overdrafts, beginning of year	1,852	816
Cash, short-term deposits and overdrafts, end of year	\$ 1,054	\$ 1,852
Supplementary cash flow information		
Dividend income received	\$ 228	\$ 198

U.S. Equity Fund (LC) SF559

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or <u>Par Value</u>	Average <u>Cost</u>	Fair <u>Value</u>
United States Common Stock			
Communication Services			
Alphabet Inc. Class A	4,554	729	843
Consumer Discretionary			
McDonald's Corp.	2,271	862	892
Nike Inc. Class B	3,803	560	547
Starbucks Corp.	4,211	500	536
Consumer Staples			
Costco Wholesale Corp.	1,002	657	876
PepsiCo Inc.	3,882	857	874
Exchange Traded Funds			
SPDR S&P 500 ETF Trust	875	464	551
Financials			
S&P Global Inc.	1,966	983	1,148
The Progressive Corp.	3,948	686	833
Health Care			
Becton, Dickinson and Co.	2,758	913	891
Intuitive Surgical Inc.	876	288	392
Thermo Fisher Scientific Inc.	1,541	1,082	1,084
Industrials			
Copart Inc.	7,289	454	473
Danaher Corp.	1,904	553	584
Fastenal Co.	7,010	513	602
Veralto Corp.	684	81	75
Verisk Analytics Inc. Class A	1,919	522	607
Information Technology			
Amphenol Corp. Class A	5,142	486	675
Apple Inc.	4,311	1,087	1,100
Gartner Inc.	1,717	733	1,026
Intuit Inc.	571	441	473
Keysight Technologies Inc.	3,269	645	689
Microsoft Corp.	3,061	1,062	1,524

U.S. Equity Fund (LC) SF559

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or Par Value	Average Cost	Fair Value
United States Common Stock (continued)			
Information Technology (continued)			
ON Semiconductor Corp.	6,721	571	744
Roper Technologies Inc.	2,024	1,134	1,462
Synopsys Inc.	1,430	611	976
Visa Inc. Class A	2,353	723	812
Total United States Common Stock		18,197	21,289
Global Common Stock			
France			
Schneider Electric SE	4,491	974	1,194
Ireland			
Accenture PLC Class A	2,962	1,154	1,377
Aon Corp.	3,494	1,233	1,347
Linde PLC	2,342	1,031	1,271
Trane Technologies PLC	3,366	731	1,088
Netherlands			
Ferrari NV	742	362	333
Switzerland			
Alcon Inc. ADR	8,394	830	869
Total Global Common Stock		6,315	7,479
Total Stocks		24,512	28,768
Transaction Costs (note 2)		(8)	
Total Investments		24,504	28,768

U.S. Equity Fund (LC) SF559

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

Introduction

The objective of the U.S. Equity Fund (LC) SF559 (the Fund) in managing risk is the creation and protection of contractholder value. Risk is inherent in the Fund's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. The process of risk management is critical to the Fund's continuing profitability. The Fund can be exposed to liquidity risk, market risk (which includes currency risk, interest rate risk and other price risk) and credit risk arising from the financial instruments it holds.

A. Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023, and groups the securities by asset type, geographic region and/or market segment. The following sections describe the significant risks that are relevant to the Fund.

To assist with managing risk, The Canada Life Assurance Company (Canada Life or the Company) maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and other regulations.

B. Liquidity Risk

Liquidity risk arises when a fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units by contractholders. The Fund retains sufficient cash and cash equivalent positions to maintain adequate liquidity to meet the obligation to fund daily cash redemptions of their redeemable units.

Some securities are illiquid due to legal restrictions on their resale, the nature of the investment, or simply a lack of interested buyers for a particular security or security type. Certain securities may become less liquid due to changes in market conditions, such as interest rate changes or market volatility, which could impair the ability of a fund to sell such securities quickly.

In accordance with the Fund's policy, the Company monitors the Fund's liquidity positions on a regular basis.

C. Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The classifications used on the Schedule of Investment Portfolio for the financial instruments are based on the country of issue.

U.S. Equity Fund (LC) SF559

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

C. Currency Risk (continued)

The table below indicates the foreign currencies to which the Fund had significant exposure as at December 31, 2023 in Canadian dollar terms, including the underlying principal amount of forward currency contracts, if any. The table also illustrates the potential impact to the Fund's net assets attributable to contractholders, all other variables held constant, as a result of a 1% change in these currencies relative to the Canadian dollar. In practice, the actual results may differ from this sensitivity analysis and the difference could be significant.

2023

Currency	Investments	Cash, Short-term Deposits and Overdrafts	Total*	Impact on Net Assets Attributable to Contractholders
United States Dollar	\$ 27,574	\$ 73	\$ 27,647	\$ 276
Other Currencies	1,194	—	1,194	12
Total	\$ 28,768	\$ 73	\$ 28,841	\$ 288
As Percent of Net Assets Attributable to Contractholders			96.4%	1.0%

*Includes both monetary and non-monetary instruments

2022

Currency	Investments	Cash, Short-term Deposits and Overdrafts	Total*	Impact on Net Assets Attributable to Contractholders
United States Dollar	\$ 18,698	\$ 192	\$ 18,890	\$ 189
Other Currencies	833	—	833	8
Total	\$ 19,531	\$ 192	\$ 19,723	\$ 197
As Percent of Net Assets Attributable to Contractholders			92.3%	0.9%

*Includes both monetary and non-monetary instruments

D. Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. The Fund Manager moderates this risk through careful selection of securities and other financial instruments within the parameters of the investment strategy. The maximum risk resulting from financial instruments is equivalent to their fair value.

For the Fund, the most significant exposure to other price risk arises from its investment in equity securities. As at December 31, 2023, had the prices on the respective stock exchanges for these securities increased or decreased by 1%, with all other variables held constant, assets would have increased (or decreased) by approximately \$288 (\$195 at December 31, 2022) or approximately 1.0% (0.9% at December 31, 2022) of total net assets attributable to contractholders. In practice, the actual results may differ and the difference could be significant.

U.S. Equity Fund (LC) SF559

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

E. Fair Value Classification

The following table presents information about the Fund's assets measured at fair value on a recurring basis and indicates the fair value hierarchy of the valuation techniques utilized by the Fund to determine such fair value:

<u>Assets measured at fair value</u>	2023			
	Assets Measured at Fair Value			
	Level 1	Level 2	Level 3	Total
Stocks	\$ 28,768	\$ —	\$ —	\$ 28,768
Total assets measured at fair value	\$ 28,768	\$ —	\$ —	\$ 28,768

<u>Assets measured at fair value</u>	2022			
	Assets Measured at Fair Value			
	Level 1	Level 2	Level 3	Total
Stocks	\$ 19,531	\$ —	\$ —	\$ 19,531
Total assets measured at fair value	\$ 19,531	\$ —	\$ —	\$ 19,531

There were no significant transfers between Level 1 and Level 2 during 2023 or 2022.

U.S. Equity Fund (LC) SF559

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Net Assets Attributable to Contractholders by Category

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
75/75 guarantee policy	412,487	404,906	250,044	363,845	205,417	5,480	4,783	3,650	4,172	2,116
75/100 guarantee policy	634,048	493,500	410,057	207,655	38,349	8,346	5,790	5,957	2,375	395
100/100 guarantee policy	37,066	41,168	33,104	19,155	—	482	479	478	218	—
PS1 75/75 guarantee policy	272,607	202,957	104,609	28,948	12,595	3,691	2,433	1,542	334	130
PS1 75/100 guarantee policy	714,818	480,358	257,729	101,279	32,164	9,568	5,708	3,777	1,164	331
PS1 100/100 guarantee policy	63,330	84,169	13,996	5,596	—	834	988	203	64	—
PS2 75/75 guarantee policy	15,150	6,670	12,483	—	—	226	86	193	—	—
PS2 75/100 guarantee policy	23,875	26,944	25,200	3,776	—	355	347	390	45	—
PS 75/75 guarantee policy	4,659	7,469	4,889	6,659	—	65	91	73	77	—
PS 75/100 guarantee policy	12,992	10,009	10,414	877	—	179	122	155	10	—
PPS 75/75 guarantee policy	23,771	20,893	19,945	16,829	—	337	259	301	196	—
PPS 75/100 guarantee policy	24,670	21,997	13,255	4,006	1,332	346	271	199	47	14

Net Assets Attributable to Contractholders Per Unit (note 6)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
75/75 guarantee policy	13.28	11.81	14.60	11.47	10.30	1.47	(2.79)
75/100 guarantee policy	13.16	11.73	14.53	11.44	10.30	1.43	(2.80)
100/100 guarantee policy	13.01	11.63	14.44	11.40	—	1.38	(2.81)
PS1 75/75 guarantee policy	13.54	11.99	14.74	11.53	10.31	1.55	(2.75)
PS1 75/100 guarantee policy	13.39	11.88	14.66	11.49	10.31	1.51	(2.78)
PS1 100/100 guarantee policy	13.17	11.74	14.53	11.44	—	1.43	(2.79)
PS2 75/75 guarantee policy	14.88	12.88	15.48	—	—	2.00	(2.60)
PS2 75/100 guarantee policy	14.88	12.88	15.48	11.83	—	2.00	(2.60)
PS 75/75 guarantee policy	13.91	12.23	14.95	11.61	—	1.68	(2.72)
PS 75/100 guarantee policy	13.78	12.15	14.88	11.58	—	1.63	(2.73)
PPS 75/75 guarantee policy	14.18	12.41	15.10	11.67	—	1.77	(2.69)
PPS 75/100 guarantee policy	14.02	12.31	15.01	11.64	10.32	1.71	(2.70)

U.S. Equity Fund (LC) SF559

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Fund is offered by The Canada Life Assurance Company.

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

U.S. Equity Fund (LC) SF559

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

U.S. Equity Fund (LC) SF559

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in fair value measurements in the notes to the Schedule of Investment Portfolio.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

U.S. Equity Fund (LC) SF559

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) **Stocks**

Stocks are recorded at fair value determined with reference to closing quoted market prices, where the last traded price falls within the day's bid-ask spread, primarily provided by third party independent pricing sources. Fair values are determined on the basis of the closing price for a security on the recognized exchange on which it is principally traded at each reporting date. In circumstances where the last traded price is not within the bid-ask spread, the Company determines the point when the bid-ask spread that is most representative of fair value based on the specific facts and circumstances.

The fair value of unlisted securities is established using quotations determined by a major dealer in a particular security. Should the quoted value for a security, in the opinion of the Fund Manager, be inaccurate, unreliable, or not readily available, the value of the security is estimated using valuation techniques. Valuation techniques include the market approach (using recent arm's-length market transactions adjusted as necessary and reference to the current market value of another instrument that is substantially the same) and the income approach (discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible).

d) **Cash, Short-term Deposits and Overdrafts**

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) **Classification of Units Issued by the Fund**

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) **Recognition of Investments and Income**

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Dividend income - accrued as of the ex-dividend date and recorded on the accrual basis.

U.S. Equity Fund (LC) SF559

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

Miscellaneous income (loss)

Miscellaneous income (loss) generally includes the changes in foreign exchange rates between trade and settlement dates, foreign exchange rates on bank balances, securities lending income, derivative income, and management fee rebates.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

U.S. Equity Fund (LC) SF559

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

k) Income Allocation

Net gain (loss) on investments, which includes dividend income, realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the net asset value (NAV) per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

m) Transaction Costs

Transaction costs, such as brokerage commissions, incurred in the purchase and sale of securities by the Fund are charged to expenses in the year.

U.S. Equity Fund (LC) SF559

Notes to the Financial Statements

(in Canadian \$ thousands)

3. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Emperor,
- Flex,
- Generations/Mosaic,
- Generations I,
- Generations II,
- Generations Core,
- Prestige/Prestige Plus, and
- Private Collections.

In addition to the Individual units, units are available for:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

The categories of units are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

U.S. Equity Fund (LC) SF559

Notes to the Financial Statements

(in Canadian \$ thousands)

4. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

5. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

6. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

The NAV per unit for group contractholders has not been shown because it will vary for each sub-class within the group contractholder class based on negotiated expense levels and other factors.

U.S. Equity Fund (LC) SF559

Notes to the Financial Statements

(in Canadian \$ thousands)

7. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.
- c) The Fund invests in assets or underlying funds managed by Mackenzie Financial Corporation, which operates as Mackenzie Investments. All investment transactions with the corresponding underlying funds are at quoted market prices.

U.S. Equity Fund (LC) SF559

Supplemental Information *(unaudited)*

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾

For the years ended December 31	2023	2022	2021	2020	2019
75/75 guarantee policy	2.72	2.73	2.75	2.70	2.70
75/100 guarantee policy	2.94	2.96	2.96	2.90	2.92
100/100 guarantee policy	3.22	3.23	3.24	3.20	—
PS1 75/75 guarantee policy	2.26	2.26	2.29	2.24	2.25
PS1 75/100 guarantee policy	2.54	2.54	2.55	2.51	2.52
PS1 100/100 guarantee policy	2.92	2.95	2.96	2.91	—
PS 75/75 guarantee policy	1.62	1.62	1.64	1.59	—
PS 75/100 guarantee policy	1.84	1.85	1.86	1.83	—
PPS 75/75 guarantee policy	1.16	1.17	1.17	1.14	—
PPS 75/100 guarantee policy	1.43	1.44	1.44	1.42	1.43

Portfolio Turnover Rate (%) ⁽²⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	36.38	100.48	102.29	64.76	6.73

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
U.S. MID CAP EQUITY FUND (LC) SF560

December 31, 2023

Independent Auditor's Report

To the Contractholders of U.S. Mid Cap Equity Fund (LC) SF560 (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

U.S. Mid Cap Equity Fund (LC) SF560

(in Canadian \$ thousands)

Fund Manager: Mackenzie Investments

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ 1,622	\$ 1,183
Investment income due and accrued	10	12
Due from The Canada Life Assurance Company (note 7)	—	—
Due from brokers	33	—
Due from outside parties	—	—
Investments		
Bonds	—	—
Stocks	34,165	29,362
Investment fund units	—	—
Total investments	34,165	29,362
Total assets	\$ 35,830	\$ 30,557
Liabilities		
Overdrafts	\$ —	\$ —
Due to The Canada Life Assurance Company (note 7)	11	11
Due to brokers	99	—
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	110	11
Net assets attributable to contractholders	\$ 35,720	\$ 30,546

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 4,298	\$ (6,214)
Miscellaneous income (loss)	(28)	12
Total income (loss)	4,270	(6,202)
Expenses		
Management fees (note 7)	752	694
Transaction costs	9	11
Withholding taxes	26	27
Other	75	65
Total expenses	862	797
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 3,408	\$ (6,999)

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year	\$ 30,546	\$ 36,721
Contractholder deposits	5,204	3,145
Contractholder withdrawals	(3,438)	(2,321)
Increase (decrease) in net assets from operations attributable to contractholders	3,408	(6,999)
Change in net assets attributable to contractholders	5,174	(6,175)
Net assets attributable to contractholders - end of year	\$ 35,720	\$ 30,546

U.S. Mid Cap Equity Fund (LC) SF560

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 3,408	\$ (6,999)
Adjustments		
Realized (gains) losses	1,179	101
Unrealized (gains) losses	(5,231)	6,333
Gross proceeds of disposition of investments	8,007	11,905
Gross payments for the purchase of investments	(8,758)	(12,942)
Change in investment income due and accrued	2	4
Change in due from/to The Canada Life Assurance Company	—	(1)
Change in due from/to brokers	66	(205)
Change in due from/to outside parties	—	—
	<u>(1,327)</u>	<u>(1,804)</u>
Financing Activities		
Contractholder deposits	5,204	3,145
Contractholder withdrawals	(3,438)	(2,321)
	<u>1,766</u>	<u>824</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	439	(980)
Cash, short-term deposits and overdrafts, beginning of year	<u>1,183</u>	<u>2,163</u>
Cash, short-term deposits and overdrafts, end of year	<u>\$ 1,622</u>	<u>\$ 1,183</u>
Supplementary cash flow information		
Dividend income received	\$ 195	\$ 207

U.S. Mid Cap Equity Fund (LC) SF560

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or <u>Par Value</u>	Average <u>Cost</u>	Fair <u>Value</u>
United States Common Stock			
Consumer Discretionary			
Bright Horizons Family Solutions Inc.	11,172	1,660	1,395
Frontdoor Inc.	19,025	1,067	888
Petco Health and Wellness Co. Inc.	56,848	1,236	238
Financials			
Markel Group Inc.	626	909	1,178
The Progressive Corp.	4,775	610	1,008
Health Care			
Amedisys Inc.	4,157	743	524
Bio-Techne Corp.	14,261	1,625	1,458
Charles River Laboratories International Inc.	5,644	1,901	1,767
Dentsply Sirona Inc.	9,229	604	435
DexCom Inc.	10,914	1,198	1,794
HealthEquity Inc.	10,175	920	894
Waters Corp.	2,833	977	1,236
Industrials			
CoStar Group Inc.	11,208	1,085	1,298
Equifax Inc.	2,870	737	940
Generac Holdings Inc.	1,615	258	277
Verisk Analytics Inc. Class A	1,540	401	487
Wabtec Corp.	9,838	1,047	1,654
Information Technology			
Akamai Technologies Inc.	11,044	1,471	1,732
Alteryx Inc.	15,845	1,385	990
Broadridge Financial Solutions Inc.	5,789	1,131	1,578
Cirrus Logic Inc.	13,190	1,358	1,454
Dolby Laboratories Inc.	6,992	794	798
Exlservice Holdings Inc.	36,243	1,447	1,482
Gartner Inc.	1,674	710	1,001
Keysight Technologies Inc.	5,424	1,036	1,143
MAXIMUS Inc.	12,892	1,324	1,433
Motorola Solutions Inc.	2,519	643	1,045
SS&C Technologies Holdings Inc.	14,508	1,218	1,175
Teradyne Inc.	2,851	382	409

U.S. Mid Cap Equity Fund (LC) SF560

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or <u>Par Value</u>	Average <u>Cost</u>	Fair <u>Value</u>
United States Common Stock (continued)			
Information Technology (continued)			
Vontier Corp.	32,086	1,258	1,469
Total United States Common Stock		31,135	33,180
Global Common Stock			
Ireland			
Allegion PLC	5,865	862	985
Total Global Common Stock		862	985
Total Stocks		31,997	34,165
Transaction Costs (note 2)		(11)	
Total Investments		31,986	34,165

U.S. Mid Cap Equity Fund (LC) SF560

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

Introduction

The objective of the U.S. Mid Cap Equity Fund (LC) SF560 (the Fund) in managing risk is the creation and protection of contractholder value. Risk is inherent in the Fund's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. The process of risk management is critical to the Fund's continuing profitability. The Fund can be exposed to liquidity risk, market risk (which includes currency risk, interest rate risk and other price risk) and credit risk arising from the financial instruments it holds.

A. Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023, and groups the securities by asset type, geographic region and/or market segment. The following sections describe the significant risks that are relevant to the Fund.

To assist with managing risk, The Canada Life Assurance Company (Canada Life or the Company) maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and other regulations.

B. Liquidity Risk

Liquidity risk arises when a fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units by contractholders. The Fund retains sufficient cash and cash equivalent positions to maintain adequate liquidity to meet the obligation to fund daily cash redemptions of their redeemable units.

Some securities are illiquid due to legal restrictions on their resale, the nature of the investment, or simply a lack of interested buyers for a particular security or security type. Certain securities may become less liquid due to changes in market conditions, such as interest rate changes or market volatility, which could impair the ability of a fund to sell such securities quickly.

In accordance with the Fund's policy, the Company monitors the Fund's liquidity positions on a regular basis.

C. Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The classifications used on the Schedule of Investment Portfolio for the financial instruments are based on the country of issue.

U.S. Mid Cap Equity Fund (LC) SF560

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

C. Currency Risk (continued)

The table below indicates the foreign currencies to which the Fund had significant exposure as at December 31, 2023 in Canadian dollar terms, including the underlying principal amount of forward currency contracts, if any. The table also illustrates the potential impact to the Fund's net assets attributable to contractholders, all other variables held constant, as a result of a 1% change in these currencies relative to the Canadian dollar. In practice, the actual results may differ from this sensitivity analysis and the difference could be significant.

2023

Currency	Investments	Cash, Short-term Deposits and Overdrafts	Total*	Impact on Net Assets Attributable to Contractholders
United States Dollar	\$ 34,165	\$ 1,269	\$ 35,434	\$ 354
Total	\$ 34,165	\$ 1,269	\$ 35,434	\$ 354
As Percent of Net Assets Attributable to Contractholders			99.2%	1.0%

*Includes both monetary and non-monetary instruments

2022

Currency	Investments	Cash, Short-term Deposits and Overdrafts	Total*	Impact on Net Assets Attributable to Contractholders
United States Dollar	\$ 29,362	\$ 3	\$ 29,365	\$ 294
Total	\$ 29,362	\$ 3	\$ 29,365	\$ 294
As Percent of Net Assets Attributable to Contractholders			96.1%	1.0%

*Includes both monetary and non-monetary instruments

D. Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. The Fund Manager moderates this risk through careful selection of securities and other financial instruments within the parameters of the investment strategy. The maximum risk resulting from financial instruments is equivalent to their fair value.

For the Fund, the most significant exposure to other price risk arises from its investment in equity securities. As at December 31, 2023, had the prices on the respective stock exchanges for these securities increased or decreased by 1%, with all other variables held constant, assets would have increased (or decreased) by approximately \$342 (\$294 at December 31, 2022) or approximately 1.0% (1.0% at December 31, 2022) of total net assets attributable to contractholders. In practice, the actual results may differ and the difference could be significant.

U.S. Mid Cap Equity Fund (LC) SF560

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

E. Fair Value Classification

The following table presents information about the Fund's assets measured at fair value on a recurring basis and indicates the fair value hierarchy of the valuation techniques utilized by the Fund to determine such fair value:

<u>Assets measured at fair value</u>	2023			
	Assets Measured at Fair Value			
	Level 1	Level 2	Level 3	Total
Stocks	\$ 34,165	\$ —	\$ —	\$ 34,165
Total assets measured at fair value	\$ 34,165	\$ —	\$ —	\$ 34,165

<u>Assets measured at fair value</u>	2022			
	Assets Measured at Fair Value			
	Level 1	Level 2	Level 3	Total
Stocks	\$ 29,362	\$ —	\$ —	\$ 29,362
Total assets measured at fair value	\$ 29,362	\$ —	\$ —	\$ 29,362

There were no significant transfers between Level 1 and Level 2 during 2023 or 2022.

U.S. Mid Cap Equity Fund (LC) SF560

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Net Assets Attributable to Contractholders by Category

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
75/75 guarantee policy	408,653	399,131	287,750	280,905	201,481	5,167	4,565	4,112	3,245	2,055
75/100 guarantee policy	813,166	857,354	897,046	259,082	48,933	10,141	9,704	12,726	2,982	499
100/100 guarantee policy	21,425	19,618	15,912	7,824	2,467	262	219	224	90	25
PS1 75/75 guarantee policy	445,941	374,485	382,368	22,130	2,364	5,759	4,353	5,525	257	24
PS1 75/100 guarantee policy	662,943	618,886	625,055	130,656	22,115	8,464	7,132	8,977	1,513	226
PS1 100/100 guarantee policy	15,353	15,353	20,071	—	—	192	175	285	—	—
PS2 75/75 guarantee policy	35,359	31,919	56,368	52,186	—	503	399	856	623	—
PS2 75/100 guarantee policy	154,795	120,207	85,362	984	—	2,201	1,503	1,297	12	—
PS 75/75 guarantee policy	22,336	25,340	18,939	6,132	—	296	300	277	72	—
PS 75/100 guarantee policy	46,291	34,872	15,548	9,619	314	604	409	226	112	3
PPS 75/75 guarantee policy	75,236	70,905	58,019	4,261	—	1,017	854	858	50	—
PPS 75/100 guarantee policy	78,402	76,472	62,000	1,377	—	1,048	912	912	16	—
PPS 100/100 guarantee policy	5,042	1,778	30,616	—	—	66	21	446	—	—

Net Assets Attributable to Contractholders Per Unit (note 6)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
75/75 guarantee policy	12.64	11.44	14.29	11.55	10.20	1.20	(2.85)
75/100 guarantee policy	12.47	11.32	14.19	11.51	10.19	1.15	(2.87)
100/100 guarantee policy	12.25	11.17	14.06	11.45	10.19	1.08	(2.89)
PS1 75/75 guarantee policy	12.92	11.62	14.45	11.62	10.21	1.30	(2.83)
PS1 75/100 guarantee policy	12.77	11.52	14.36	11.58	10.20	1.25	(2.84)
PS1 100/100 guarantee policy	12.54	11.36	14.23	—	—	1.18	(2.87)
PS2 75/75 guarantee policy	14.22	12.50	15.19	11.93	—	1.72	(2.69)
PS2 75/100 guarantee policy	14.22	12.50	15.19	11.93	—	1.72	(2.69)
PS 75/75 guarantee policy	13.23	11.84	14.63	11.70	—	1.39	(2.79)
PS 75/100 guarantee policy	13.06	11.72	14.53	11.66	10.21	1.34	(2.81)
PPS 75/75 guarantee policy	13.52	12.04	14.80	11.77	—	1.48	(2.76)
PPS 75/100 guarantee policy	13.36	11.93	14.71	11.73	—	1.43	(2.78)
PPS 100/100 guarantee policy	13.12	11.77	14.57	—	—	1.35	(2.80)

U.S. Mid Cap Equity Fund (LC) SF560

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Fund is offered by The Canada Life Assurance Company.

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

U.S. Mid Cap Equity Fund (LC) SF560

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

U.S. Mid Cap Equity Fund (LC) SF560

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in fair value measurements in the notes to the Schedule of Investment Portfolio.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

U.S. Mid Cap Equity Fund (LC) SF560

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) **Stocks**

Stocks are recorded at fair value determined with reference to closing quoted market prices, where the last traded price falls within the day's bid-ask spread, primarily provided by third party independent pricing sources. Fair values are determined on the basis of the closing price for a security on the recognized exchange on which it is principally traded at each reporting date. In circumstances where the last traded price is not within the bid-ask spread, the Company determines the point when the bid-ask spread that is most representative of fair value based on the specific facts and circumstances.

The fair value of unlisted securities is established using quotations determined by a major dealer in a particular security. Should the quoted value for a security, in the opinion of the Fund Manager, be inaccurate, unreliable, or not readily available, the value of the security is estimated using valuation techniques. Valuation techniques include the market approach (using recent arm's-length market transactions adjusted as necessary and reference to the current market value of another instrument that is substantially the same) and the income approach (discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible).

d) **Cash, Short-term Deposits and Overdrafts**

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) **Classification of Units Issued by the Fund**

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) **Recognition of Investments and Income**

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

Dividend income - accrued as of the ex-dividend date and recorded on the accrual basis.

U.S. Mid Cap Equity Fund (LC) SF560

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

Miscellaneous income (loss)

Miscellaneous income (loss) generally includes the changes in foreign exchange rates between trade and settlement dates, foreign exchange rates on bank balances, securities lending income, derivative income, and management fee rebates.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

U.S. Mid Cap Equity Fund (LC) SF560

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

k) Income Allocation

Net gain (loss) on investments, which includes dividend income, realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the net asset value (NAV) per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

m) Transaction Costs

Transaction costs, such as brokerage commissions, incurred in the purchase and sale of securities by the Fund are charged to expenses in the year.

U.S. Mid Cap Equity Fund (LC) SF560

Notes to the Financial Statements

(in Canadian \$ thousands)

3. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Emperor,
- Flex,
- Generations/Mosaic,
- Generations I,
- Generations II,
- Generations Core,
- Prestige/Prestige Plus, and
- Private Collections.

In addition to the Individual units, units are available for:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

The categories of units are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

U.S. Mid Cap Equity Fund (LC) SF560

Notes to the Financial Statements

(in Canadian \$ thousands)

4. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

5. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

6. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

The NAV per unit for group contractholders has not been shown because it will vary for each sub-class within the group contractholder class based on negotiated expense levels and other factors.

U.S. Mid Cap Equity Fund (LC) SF560

Notes to the Financial Statements

(in Canadian \$ thousands)

7. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.
- c) The Fund invests in assets or underlying funds managed by Mackenzie Financial Corporation, which operates as Mackenzie Investments. All investment transactions with the corresponding underlying funds are at quoted market prices.

U.S. Mid Cap Equity Fund (LC) SF560

Supplemental Information *(unaudited)*

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾

For the years ended December 31	2023	2022	2021	2020	2019
75/75 guarantee policy	2.81	2.80	2.85	2.81	2.81
75/100 guarantee policy	3.14	3.14	3.19	3.12	3.14
100/100 guarantee policy	3.57	3.55	3.63	3.56	3.57
PS1 75/75 guarantee policy	2.30	2.30	2.34	2.29	2.30
PS1 75/100 guarantee policy	2.58	2.57	2.62	2.58	2.58
PS1 100/100 guarantee policy	3.01	3.01	3.07	—	—
PS 75/75 guarantee policy	1.72	1.71	1.73	1.70	—
PS 75/100 guarantee policy	2.05	2.03	2.07	2.03	2.05
PPS 75/75 guarantee policy	1.21	1.20	1.21	1.20	—
PPS 75/100 guarantee policy	1.48	1.47	1.50	1.48	—
PPS 100/100 guarantee policy	1.92	1.97	1.95	—	—

Portfolio Turnover Rate (%) ⁽²⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	24.61	39.86	71.94	68.11	8.30

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
GLOBAL LOW VOL FUND (ILIM) SF561

December 31, 2023

Independent Auditor's Report

To the Contractholders of Global Low Vol Fund (ILIM) SF561 (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

Global Low Vol Fund (ILIM) SF561

(in Canadian \$ thousands)

Fund Manager: Irish Life Investment Managers Limited (ILIM)

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ 462	\$ 66
Investment income due and accrued	22	4
Due from The Canada Life Assurance Company (note 7)	2	43
Due from brokers	—	—
Due from outside parties	—	—
Investments		
Bonds	—	—
Stocks	16,261	5,214
Investment fund units	—	—
Total investments	16,261	5,214
Total assets	\$ 16,747	\$ 5,327
Liabilities		
Overdrafts	\$ —	\$ —
Due to The Canada Life Assurance Company (note 7)	—	—
Due to brokers	—	—
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	—	—
Net assets attributable to contractholders	\$ 16,747	\$ 5,327

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 1,131	\$ (81)
Miscellaneous income (loss)	(8)	2
Total income (loss)	1,123	(79)
Expenses		
Management fees (note 7)	138	116
Transaction costs	6	2
Withholding taxes	45	17
Other	14	15
Total expenses	203	150
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 920	\$ (229)

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year	\$ 5,327	\$ 5,652
Contractholder deposits	12,145	2,248
Contractholder withdrawals	(1,645)	(2,344)
Increase (decrease) in net assets from operations attributable to contractholders	920	(229)
Change in net assets attributable to contractholders	11,420	(325)
Net assets attributable to contractholders - end of year	\$ 16,747	\$ 5,327

Global Low Vol Fund (ILIM) SF561

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 920	\$ (229)
Adjustments		
Realized (gains) losses	(114)	(191)
Unrealized (gains) losses	(650)	396
Gross proceeds of disposition of investments	7,076	4,783
Gross payments for the purchase of investments	(17,359)	(4,644)
Change in investment income due and accrued	(18)	—
Change in due from/to The Canada Life Assurance Company	41	(40)
Change in due from/to brokers	—	—
Change in due from/to outside parties	—	—
	<u>(10,104)</u>	<u>75</u>
Financing Activities		
Contractholder deposits	12,145	2,248
Contractholder withdrawals	(1,645)	(2,344)
	<u>10,500</u>	<u>(96)</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	396	(21)
Cash, short-term deposits and overdrafts, beginning of year	66	87
Cash, short-term deposits and overdrafts, end of year	\$ 462	\$ 66
Supplementary cash flow information		
Dividend income received	\$ 343	\$ 123

Global Low Vol Fund (ILIM) SF561

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or Par Value	Average Cost	Fair Value
Canadian Common Stock			
Financials			
Brookfield Asset Management Inc. Class A	1,973	83	105
Manulife Financial Corp.	7,245	181	212
Materials			
West Fraser Timber Co. Ltd.	990	103	112
Total Canadian Common Stock		367	429
United States Common Stock			
Communication Services			
Alphabet Inc. Class A	1,101	152	204
AT&T Inc.	2,100	55	47
Comcast Corp. Class A	1,527	88	89
Meta Platforms Inc.	32	15	15
Verizon Communications Inc.	3,744	207	187
Consumer Discretionary			
Amazon.com Inc.	862	138	174
AutoZone Inc.	23	72	79
Best Buy Co. Inc.	1,302	121	135
Lowe's Companies Inc.	477	130	141
McDonald's Corp.	40	16	16
O'Reilly Automotive Inc.	94	100	118
PulteGroup Inc.	949	85	130
The Home Depot Inc.	462	187	212
The TJX Companies Inc.	1,479	167	184
Ulta Beauty Inc.	84	49	55
Consumer Staples			
CVS Health Corp.	1,994	184	209
General Mills Inc.	947	107	82
The Coca-Cola Co.	1,561	128	122
The Kroger Co.	3,075	184	186
The Procter & Gamble Co.	891	177	173
Walmart Inc.	812	161	170

Global Low Vol Fund (ILIM) SF561

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or Par Value	Average Cost	Fair Value
United States Common Stock (continued)			
Energy			
Chevron Corp.	678	160	134
Exxon Mobil Corp.	563	79	75
Marathon Petroleum Corp.	929	152	183
Schlumberger Ltd.	2,532	162	175
Valero Energy Corp.	595	93	102
Exchange Traded Funds			
Vanguard FTSE Developed Markets ETF	6,302	381	399
Vanguard S&P 500 ETF	1,021	534	590
Financials			
Aflac Inc.	1,314	147	144
Northern Trust Corp.	649	75	73
Regions Financial Corp.	8,930	220	229
Synchrony Financial	3,189	133	161
The Bank of New York Mellon Corp.	2,956	168	204
Health Care			
AbbVie Inc.	973	188	200
Bristol-Myers Squibb Co.	2,667	233	181
Cardinal Health Inc.	787	76	105
Cencora Inc.	292	62	79
Elevance Health Inc.	294	186	184
Gilead Sciences Inc.	1,698	179	182
Henry Schein Inc.	262	25	26
Johnson & Johnson Inc.	916	206	190
McKesson Corp.	287	119	176
Merck & Co. Inc.	1,331	188	192
Pfizer Inc.	4,579	232	175
Regeneron Pharmaceuticals Inc.	112	109	130
The Cigna Group	355	131	141
UnitedHealth Group Inc.	248	163	173
Vertex Pharmaceuticals Inc.	170	70	92
Industrials			
Expeditors International of Washington Inc.	741	105	125
PACCAR Inc.	124	15	16

Global Low Vol Fund (ILIM) SF561

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or Par Value	Average Cost	Fair Value
United States Common Stock (continued)			
Industrials (continued)			
United Parcel Service Inc. (UPS) Class B	907	185	189
W. W. Grainger Inc.	89	80	98
Information Technology			
Adobe Inc.	19	16	15
Apple Inc.	1,535	299	392
Arrow Electronics Inc.	1,112	175	180
Automatic Data Processing Inc.	96	28	30
Cisco Systems Inc.	2,566	159	172
Cognizant Technology Solutions Corp.	2,046	186	205
HP Inc.	3,889	152	155
IBM Corp.	339	58	73
Mastercard Inc. Class A	342	186	193
Microsoft Corp.	689	235	343
NVIDIA Corp.	202	128	133
Texas Instruments Inc.	916	207	207
Visa Inc. Class A	550	161	190
Materials			
CF Industries Holdings Inc.	427	39	45
Nucor Corp.	235	44	54
Reliance Steel & Aluminum Co.	133	43	49
The Mosaic Co.	1,178	56	56
Real Estate			
Public Storage REIT	366	137	148
Weyerhaeuser Co.	4,143	180	191
Utilities			
Exelon Corp.	374	20	18
Total United States Common Stock		9,888	10,700
Global Common Stock			
Cayman Islands			
CK Asset Holdings Ltd.	14,000	112	93
CK Hutchison Holdings Ltd.	7,500	63	53

Global Low Vol Fund (ILIM) SF561

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or Par Value	Average Cost	Fair Value
Global Common Stock (continued)			
Cayman Islands (continued)			
WH Group Ltd.	36,000	30	31
Denmark			
A.P. Moller - Maersk AS Class B	8	20	19
Finland			
Nokia OYJ	35,039	194	156
France			
TotalEnergies SE	2,038	166	184
Germany			
Allianz SE	569	171	201
Fresenius SE & Co. KGaA	931	37	38
Muenchener Rueckversicherungs-Gesellschaft AG	119	66	65
Hong Kong			
Hong Kong Exchanges and Clearing Ltd.	3,700	201	168
Sino Land Co. Ltd.	29,345	50	42
Sun Hung Kai Properties Ltd.	7,500	134	107
Ireland			
Accenture PLC Class A	421	155	196
AIB Group PLC	4,877	31	28
Israel			
Bank Hapoalim BM	17,149	189	204
Israel Discount Bank	5,855	40	39
Mizrachi Tefahot Bank Ltd.	2,321	103	119
Japan			
Bridgestone Corp.	1,100	59	60
Brother Industries Ltd.	4,200	91	89
Canon Inc.	5,600	180	190
Daito Trust Construction Co. Ltd.	1,200	162	184
Daiwa House Industry Co. Ltd.	3,000	116	120
Fujitsu Ltd.	200	35	40

Global Low Vol Fund (ILIM) SF561

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or Par Value	Average Cost	Fair Value
Global Common Stock (continued)			
Japan (continued)			
KDDI Corp.	4,400	180	185
MEIJI Holdings Co. Ltd.	3,000	100	94
Ono Pharmaceutical Co. Ltd.	1,000	25	24
SECOM Co. Ltd.	600	54	57
Seiko Epson Corp.	9,400	189	186
Shionogi & Co. Ltd.	300	19	19
Subaru Corp.	6,900	157	168
Toppan Holdings Inc.	2,400	61	89
Jersey			
Ferguson PLC	739	154	189
Netherlands			
Koninklijke Ahold Delhaize NV	4,730	202	180
Stellantis NV	4,126	113	128
Singapore			
DBS Group Holdings Ltd.	500	16	17
Spain			
Endesa SA	6,796	196	183
REDEIA Corporacion SA	1,611	39	35
Repsol SA	6,198	118	122
Switzerland			
Bunge Global SA	1,142	166	153
Novartis AG	1,453	191	194
Roche Holding AG	515	216	198
United Kingdom			
3i Group PLC	1,962	59	80
Centrica PLC	23,333	60	55
GSK PLC	7,711	194	189
Total Global Common Stock		4,914	4,971

Global Low Vol Fund (ILIM) SF561

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or <u>Par Value</u>	Average <u>Cost</u>	Fair <u>Value</u>
Global Preferred Stock			
Germany			
Henkel AG & Co. KGaA Preferred	1,510	158	161
Total Global Preferred Stock		158	161
Total Stocks		15,327	16,261
Transaction Costs (note 2)		(4)	
Total Investments		15,323	16,261

Global Low Vol Fund (ILIM) SF561

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

Introduction

The objective of the Global Low Vol Fund (ILIM) SF561 (the Fund) in managing risk is the creation and protection of contractholder value. Risk is inherent in the Fund's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. The process of risk management is critical to the Fund's continuing profitability. The Fund can be exposed to liquidity risk, market risk (which includes currency risk, interest rate risk and other price risk) and credit risk arising from the financial instruments it holds.

A. Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023, and groups the securities by asset type, geographic region and/or market segment. The following sections describe the significant risks that are relevant to the Fund.

To assist with managing risk, The Canada Life Assurance Company (Canada Life or the Company) maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and other regulations.

B. Liquidity Risk

Liquidity risk arises when a fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units by contractholders. The Fund retains sufficient cash and cash equivalent positions to maintain adequate liquidity to meet the obligation to fund daily cash redemptions of their redeemable units.

Some securities are illiquid due to legal restrictions on their resale, the nature of the investment, or simply a lack of interested buyers for a particular security or security type. Certain securities may become less liquid due to changes in market conditions, such as interest rate changes or market volatility, which could impair the ability of a fund to sell such securities quickly.

In accordance with the Fund's policy, the Company monitors the Fund's liquidity positions on a regular basis.

C. Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The classifications used on the Schedule of Investment Portfolio for the financial instruments are based on the country of issue.

Global Low Vol Fund (ILIM) SF561

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

C. Currency Risk (continued)

The table below indicates the foreign currencies to which the Fund had significant exposure as at December 31, 2023 in Canadian dollar terms, including the underlying principal amount of forward currency contracts, if any. The table also illustrates the potential impact to the Fund's net assets attributable to contractholders, all other variables held constant, as a result of a 1% change in these currencies relative to the Canadian dollar. In practice, the actual results may differ from this sensitivity analysis and the difference could be significant.

2023

Currency	Investments	Cash, Short-term Deposits and Overdrafts	Total*	Impact on Net Assets Attributable to Contractholders
United States Dollar	\$ 11,238	\$ 27	\$ 11,265	\$ 113
Japanese Yen	1,505	14	1,519	15
Euro	1,481	1	1,482	15
Other Currencies	1,608	4	1,612	16
Total	\$ 15,832	\$ 46	\$ 15,878	\$ 159
As Percent of Net Assets Attributable to Contractholders			94.8%	0.9%

*Includes both monetary and non-monetary instruments

2022

Currency	Investments	Cash, Short-term Deposits and Overdrafts	Total*	Impact on Net Assets Attributable to Contractholders
United States Dollar	\$ 3,462	\$ 2	\$ 3,464	\$ 35
Japanese Yen	519	—	519	5
Euro	321	—	321	3
Other Currencies	759	3	762	8
Total	\$ 5,061	\$ 5	\$ 5,066	\$ 51
As Percent of Net Assets Attributable to Contractholders			95.1%	1.0%

*Includes both monetary and non-monetary instruments

D. Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. The Fund Manager moderates this risk through careful selection of securities and other financial instruments within the parameters of the investment strategy. The maximum risk resulting from financial instruments is equivalent to their fair value.

For the Fund, the most significant exposure to other price risk arises from its investment in equity securities. As at December 31, 2023, had the prices on the respective stock exchanges for these securities increased or decreased by 1%, with all other variables held constant, assets would have increased (or decreased) by approximately \$163 (\$52 at December 31, 2022) or approximately 1.0% (1.0% at December 31, 2022) of total net assets attributable to contractholders. In practice, the actual results may differ and the difference could be significant.

Global Low Vol Fund (ILIM) SF561

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

E. Fair Value Classification

The following table presents information about the Fund's assets measured at fair value on a recurring basis and indicates the fair value hierarchy of the valuation techniques utilized by the Fund to determine such fair value:

<u>Assets measured at fair value</u>	2023			
	Assets Measured at Fair Value			
	Level 1	Level 2	Level 3	Total
Stocks	\$ 15,900	\$ 361	\$ —	\$ 16,261
Total assets measured at fair value	\$ 15,900	\$ 361	\$ —	\$ 16,261

<u>Assets measured at fair value</u>	2022			
	Assets Measured at Fair Value			
	Level 1	Level 2	Level 3	Total
Stocks	\$ 5,092	\$ 122	\$ —	\$ 5,214
Total assets measured at fair value	\$ 5,092	\$ 122	\$ —	\$ 5,214

In accordance with the Fund's valuation policy, the Fund applies fair value adjustment factors to the quoted market prices for certain non-North American equities when North American intraday stock market movements exceed predetermined tolerances. The adjustment factors are applied in order to estimate the impact on fair values of events occurring between the close of the non-North American stock markets and the close of business for the Fund. If fair value adjustment factors are applied, non-North American equities are classified as Level 2. Consequently, non-North American equities are frequently transferred between Level 1 (unadjusted quoted market prices) and Level 2 (adjusted market prices). As at December 31, 2023, these securities were classified as Level 2 (Level 2 at December 31, 2022).

Global Low Vol Fund (ILIM) SF561

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance. Seed money units, as described in note 7 c), are allocated to each category and are not included on this page.

Net Assets Attributable to Contractholders by Category

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
75/75 guarantee policy	64,791	62,064	209,994	532,118	510,819	749	676	2,409	5,366	5,212
75/100 guarantee policy	201,793	172,202	120,939	102,312	17,744	2,317	1,867	1,383	1,030	181
100/100 guarantee policy	6,442	8,747	12,736	12,831	4,284	73	94	144	129	44
PS1 75/75 guarantee policy	63,057	52,069	26,024	14,855	8,572	743	576	302	150	88
PS1 75/100 guarantee policy	145,013	136,909	81,934	44,785	1,011	1,693	1,503	945	453	10
PS1 100/100 guarantee policy	9,103	11,390	9,910	246	—	105	124	113	2	—
PS2 75/75 guarantee policy	548	1,075	126	—	—	7	13	2	—	—
PS2 75/100 guarantee policy	21,413	21,997	12,302	10,922	—	279	263	150	114	—
PS 75/75 guarantee policy	208	393	625	474	—	3	4	7	5	—
PS 75/100 guarantee policy	12,281	7,254	5,437	6,122	—	148	81	64	62	—
PPS 75/75 guarantee policy	3,390	1,972	2,117	2,211	—	42	23	25	23	—
PPS 75/100 guarantee policy	18,948	9,063	9,155	2,396	3,673	232	103	108	24	37

Net Assets Attributable to Contractholders Per Unit (note 6)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
75/75 guarantee policy	11.56	10.90	11.47	10.08	10.20	0.66	(0.57)
75/100 guarantee policy	11.48	10.84	11.43	10.07	10.20	0.64	(0.59)
100/100 guarantee policy	11.30	10.71	11.34	10.02	10.19	0.59	(0.63)
PS1 75/75 guarantee policy	11.78	11.06	11.59	10.14	10.21	0.72	(0.53)
PS1 75/100 guarantee policy	11.67	10.98	11.53	10.11	10.21	0.69	(0.55)
PS1 100/100 guarantee policy	11.51	10.86	11.45	10.07	—	0.65	(0.59)
PS2 75/75 guarantee policy	13.04	11.95	12.21	—	—	1.09	(0.26)
PS2 75/100 guarantee policy	13.04	11.95	12.21	10.42	—	1.09	(0.26)
PS 75/75 guarantee policy	12.11	11.29	11.75	10.21	—	0.82	(0.46)
PS 75/100 guarantee policy	12.02	11.23	11.71	10.19	—	0.79	(0.48)
PPS 75/75 guarantee policy	12.34	11.45	11.87	10.27	—	0.89	(0.42)
PPS 75/100 guarantee policy	12.22	11.37	11.81	10.24	10.22	0.85	(0.44)

Global Low Vol Fund (ILIM) SF561

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Fund is offered by The Canada Life Assurance Company.

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

Global Low Vol Fund (ILIM) SF561

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

Global Low Vol Fund (ILIM) SF561

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in fair value measurements in the notes to the Schedule of Investment Portfolio.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

Global Low Vol Fund (ILIM) SF561

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Stocks

Stocks are recorded at fair value determined with reference to closing quoted market prices, where the last traded price falls within the day's bid-ask spread, primarily provided by third party independent pricing sources. Fair values are determined on the basis of the closing price for a security on the recognized exchange on which it is principally traded at each reporting date. In circumstances where the last traded price is not within the bid-ask spread, the Company determines the point when the bid-ask spread that is most representative of fair value based on the specific facts and circumstances.

The fair value of unlisted securities is established using quotations determined by a major dealer in a particular security. Should the quoted value for a security, in the opinion of the Fund Manager, be inaccurate, unreliable, or not readily available, the value of the security is estimated using valuation techniques. Valuation techniques include the market approach (using recent arm's-length market transactions adjusted as necessary and reference to the current market value of another instrument that is substantially the same) and the income approach (discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible).

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

Dividend income - accrued as of the ex-dividend date and recorded on the accrual basis.

Global Low Vol Fund (ILIM) SF561

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

Miscellaneous income (loss)

Miscellaneous income (loss) generally includes the changes in foreign exchange rates between trade and settlement dates, foreign exchange rates on bank balances, securities lending income, derivative income, and management fee rebates.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

Global Low Vol Fund (ILIM) SF561

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

k) Income Allocation

Net gain (loss) on investments, which includes dividend income, realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the net asset value (NAV) per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

m) Transaction Costs

Transaction costs, such as brokerage commissions, incurred in the purchase and sale of securities by the Fund are charged to expenses in the year.

Global Low Vol Fund (ILIM) SF561

Notes to the Financial Statements

(in Canadian \$ thousands)

3. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Emperor,
- Flex,
- Generations/Mosaic,
- Generations I,
- Generations II,
- Generations Core,
- Prestige/Prestige Plus, and
- Private Collections.

In addition to the Individual units, units are available for:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

The categories of units are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

Global Low Vol Fund (ILIM) SF561

Notes to the Financial Statements

(in Canadian \$ thousands)

4. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

5. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

6. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

The NAV per unit for group contractholders has not been shown because it will vary for each sub-class within the group contractholder class based on negotiated expense levels and other factors.

Global Low Vol Fund (ILIM) SF561

Notes to the Financial Statements

(in Canadian \$ thousands)

7. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.
- c) The Company deposited seed money in the Fund at the time of its introduction. The fair value of all remaining seed money, which is included in option S1R category, at December 31, 2023 is nil (nil at December 31, 2022).
- d) The Fund invests in assets or underlying funds managed by Irish Life Investment Managers Limited. All investment transactions with the corresponding underlying funds are at quoted market prices.

Global Low Vol Fund (ILIM) SF561

Supplemental Information *(unaudited)*

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾

For the years ended December 31	2023	2022	2021	2020	2019
75/75 guarantee policy	2.87	2.99	2.95	2.87	2.87
75/100 guarantee policy	3.02	3.08	3.10	3.01	3.02
100/100 guarantee policy	3.39	3.48	3.49	3.38	3.40
PS1 75/75 guarantee policy	2.41	2.45	2.46	2.41	2.41
PS1 75/100 guarantee policy	2.63	2.68	2.69	2.61	2.63
PS1 100/100 guarantee policy	2.96	3.02	3.04	2.96	—
PS 75/75 guarantee policy	1.78	1.81	1.81	1.76	—
PS 75/100 guarantee policy	1.93	1.97	1.97	1.93	—
PPS 75/75 guarantee policy	1.32	1.35	1.35	1.30	—
PPS 75/100 guarantee policy	1.54	1.57	1.56	1.54	1.54

Portfolio Turnover Rate (%) ⁽²⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	55.15	96.29	60.96	65.74	34.13

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
AMERICAN EQUITY FUND (BG) SF562

December 31, 2023

Independent Auditor's Report

To the Contractholders of American Equity Fund (BG) SF562 (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

American Equity Fund (BG) SF562

(in Canadian \$ thousands)

Fund Manager: Beutel, Goodman & Company Ltd.

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ 53	\$ 249
Investment income due and accrued	—	—
Due from The Canada Life Assurance Company (note 8)	—	330
Due from brokers	—	—
Due from outside parties	—	—
Investments		
Investment fund units (note 3)	166,914	120,868
Total investments	166,914	120,868
Total assets	\$ 166,967	\$ 121,447
Liabilities		
Overdrafts	\$ —	\$ —
Due to The Canada Life Assurance Company (note 8)	44	—
Due to brokers	2	254
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	46	254
Net assets attributable to contractholders	\$ 166,921	\$ 121,193

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 13,757	\$ 10,110
Miscellaneous income (loss)	—	—
Total income (loss)	13,757	10,110
Expenses		
Management fees (note 8)	1,501	600
Other	173	72
Total expenses	1,674	672
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 12,083	\$ 9,438

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year	\$ 121,193	\$ 91,013
Contractholder deposits	49,237	31,233
Contractholder withdrawals	(15,592)	(10,491)
Increase (decrease) in net assets from operations attributable to contractholders	12,083	9,438
Change in net assets attributable to contractholders	45,728	30,180
Net assets attributable to contractholders - end of year	\$ 166,921	\$ 121,193

American Equity Fund (BG) SF562

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 12,083	\$ 9,438
Adjustments		
Realized (gains) losses	(37)	143
Unrealized (gains) losses	(10,124)	(3,390)
Gross proceeds of disposition of investments	10,287	3,278
Gross payments for the purchase of investments	(42,576)	(23,196)
Distribution income of underlying mutual fund	(3,596)	(6,863)
Change in due from/to The Canada Life Assurance Company	374	(208)
Change in due from/to brokers	(252)	322
	<u>(33,841)</u>	<u>(20,476)</u>
Financing Activities		
Contractholder deposits	49,237	31,233
Contractholder withdrawals	(15,592)	(10,491)
	<u>33,645</u>	<u>20,742</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	(196)	266
Cash, short-term deposits and overdrafts, beginning of year	249	(17)
Cash, short-term deposits and overdrafts, end of year	\$ 53	\$ 249

American Equity Fund (BG) SF562

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units)

As at December 31, 2023

	<u>No. of Units</u>	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units			
Beutel Goodman American Equity Fund Class I	8,478,134	159,393	166,914
Total Investments		159,393	166,914

Top 25 Holdings

Security Description	% of Total
Amgen Inc.	5.33%
Qualcomm Inc.	4.96%
NetApp Inc.	4.89%
American Express Co.	4.77%
Omnicom Group Inc.	4.43%
Amdocs Ltd.	4.25%
Gen Digital Inc.	3.78%
Masco Corp.	3.73%
Flowserve Corp.	3.55%
Harley-Davidson Inc.	3.54%
Ameriprise Financial Inc.	3.50%
BlackRock Inc.	3.44%
Kimberly-Clark Corp.	3.44%
Merck & Co. Inc.	3.32%
Kellanova	3.30%
SEI Investments Co.	3.27%
Biogen Inc.	3.24%
Tempur Sealy International Inc.	3.01%
The Interpublic Group of Companies Inc.	2.98%
Comcast Corp. Class A	2.97%
Campbell Soup Co.	2.86%
Cummins Inc.	2.78%
Wabtec Corp.	2.64%
Polaris Inc.	2.63%
eBay Inc.	2.58%

American Equity Fund (BG) SF562

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance. Portfolio units are allocated to each category as described in note 4 and are not included on this page.

Net Assets Attributable to Contractholders by Category

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
75/75 guarantee policy	827,481	468,388	224,641	183,852	27,686	11,256	5,987	2,696	1,991	283
75/100 guarantee policy	1,537,248	933,175	486,862	357,338	65,431	20,718	11,844	5,814	3,859	668
100/100 guarantee policy	117,946	37,336	4,725	5,548	—	1,568	469	56	60	—
PS1 75/75 guarantee policy	993,236	503,047	246,996	147,041	18,942	13,792	6,532	2,996	1,601	193
PS1 75/100 guarantee policy	1,679,849	1,111,685	355,009	197,372	42,905	23,059	14,308	4,280	2,143	438
PS1 100/100 guarantee policy	55,234	121,886	3,632	—	—	739	1,535	43	—	—
PS2 75/75 guarantee policy	201,824	125,827	41,318	4,569	—	3,069	1,746	523	51	—
PS2 75/100 guarantee policy	235,606	98,310	2,183	—	—	3,583	1,364	28	—	—
PS2 100/100 guarantee policy	7,536	—	—	—	—	115	—	—	—	—
PS 75/75 guarantee policy	43,731	14,516	9,217	—	—	617	190	112	—	—
PS 75/100 guarantee policy	115,368	48,930	9,844	11,913	—	1,629	643	120	130	—
PPS 75/75 guarantee policy	44,941	12,606	8,136	8,181	3,938	654	170	101	90	40
PPS 75/100 guarantee policy	168,287	37,057	18,920	12,039	10,572	2,419	494	234	132	108
PPS 100/100 guarantee policy	—	—	3,964	4,537	—	—	—	49	50	—

Net Assets Attributable to Contractholders Per Unit (note 7)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
75/75 guarantee policy	13.60	12.78	12.00	10.83	10.21	0.82	0.78
75/100 guarantee policy	13.48	12.69	11.94	10.80	10.20	0.79	0.75
100/100 guarantee policy	13.29	12.56	11.86	10.76	—	0.73	0.70
PS1 75/75 guarantee policy	13.89	12.98	12.13	10.89	10.21	0.91	0.85
PS1 75/100 guarantee policy	13.73	12.87	12.06	10.86	10.21	0.86	0.81
PS1 100/100 guarantee policy	13.38	12.59	11.84	—	—	0.79	0.75
PS2 75/75 guarantee policy	15.21	13.88	12.65	11.08	—	1.33	1.23
PS2 75/100 guarantee policy	15.21	13.88	12.65	—	—	1.33	1.23
PS2 100/100 guarantee policy	15.21	—	—	—	—	1.33	—
PS 75/75 guarantee policy	14.11	13.11	12.17	—	—	1.00	0.94
PS 75/100 guarantee policy	14.12	13.15	12.23	10.94	—	0.97	0.92
PPS 75/75 guarantee policy	14.54	13.45	12.42	11.03	10.23	1.09	1.03
PPS 75/100 guarantee policy	14.38	13.33	12.35	10.99	10.23	1.05	0.98
PPS 100/100 guarantee policy	—	—	12.25	10.95	—	—	—

American Equity Fund (BG) SF562

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The American Equity Fund (BG) SF562 (the Fund) is offered by The Canada Life Assurance Company (Canada Life or the Company).

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

American Equity Fund (BG) SF562

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

American Equity Fund (BG) SF562

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in note 9 on Financial Instrument Risk Management.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

American Equity Fund (BG) SF562

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Investment Fund Units

Investment fund units are recorded at fair value, which is the closing net asset value (NAV) per unit of the underlying fund.

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

American Equity Fund (BG) SF562

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

American Equity Fund (BG) SF562

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

k) Income Allocation

Net gain (loss) on investments, which includes realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the NAV per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

3. INVESTMENT FUND UNITS

Investment fund units of the Fund invest solely in underlying mutual funds.

As the Fund's assets are invested in underlying investment funds, the Fund indirectly pays management fees and operating expenses of the underlying funds. All such charges are included in the management expense ratio of the segregated funds.

Distributions of income from the underlying investment funds are shown as net gain (loss) on investments on the Statement of Comprehensive Income.

Investment activity of the underlying fund indirectly exposes the Fund to financial risk. See note 9 on Financial Instrument Risk Management.

Investments in unconsolidated structured entities

The Company has determined that the Fund meets the definition of an investment entity and as such, accounts for its holdings in unlisted open-ended investment funds at FVTPL. The Company has concluded that the underlying funds in which the Fund invests, but do not consolidate, meet the definition of structured entities because: (i) the voting rights in the underlying funds are not dominant rights in deciding who controls them; (ii) each underlying fund's activities are restricted by its prospectus; and (iii) the underlying funds have narrow and well-defined objectives to provide investment opportunities to investors.

American Equity Fund (BG) SF562

Notes to the Financial Statements

(in Canadian \$ thousands)

4. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Emperor,
- Flex,
- Generations/Mosaic,
- Generations I,
- Generations II,
- Generations Core,
- Prestige/Prestige Plus, and
- Private Collections.

In addition to the Individual units, units are available for:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

Portfolio units are those units owned by the Asset Allocation Funds. Each Portfolio fund is represented by a separate category.

The categories of units, and the various levels within each, are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

American Equity Fund (BG) SF562

Notes to the Financial Statements

(in Canadian \$ thousands)

5. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

6. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

7. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

The NAV per unit for group contractholders has not been shown because it will vary for each sub-class within the group contractholder class based on negotiated expense levels and other factors.

American Equity Fund (BG) SF562

Notes to the Financial Statements

(in Canadian \$ thousands)

8. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.

American Equity Fund (BG) SF562

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT

a) Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023. The following sections describe the significant risks that are relevant to the Fund.

To assist with managing risk, the Fund Manager maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and securities regulations. Financial statements for the underlying funds, which include discussions about their respective risk exposure, are available upon request.

b) Liquidity Risk

Liquidity risk arises when a Fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units. As the Fund primarily invests all of its net assets in the underlying funds, liquidity risk is mitigated by the underlying funds' ability to meet the obligation to fund daily cash redemptions of their redeemable units/shares. In addition, the underlying funds retain sufficient cash and cash equivalent positions to maintain adequate liquidity.

c) Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The Fund's investments in all underlying funds are denominated in Canadian dollars. However, the Fund is indirectly exposed to currency risk to the extent that the investments of the underlying funds are denominated or traded in a foreign currency.

d) Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund does not directly hold any interest-bearing financial instruments. The Fund is indirectly exposed to the risk that the value of interest-bearing financial instruments held by the underlying funds will fluctuate due to changes in the prevailing levels of market interest rates.

e) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund has no direct exposure to credit risk. The greatest indirect concentration of credit risk is in debt securities, such as bonds, held by underlying funds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer.

f) Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. For the instruments held by the Fund, maximum risk of loss is equivalent to their fair value. The Fund Manager moderates this risk through a careful selection of underlying funds within the parameters of the investment strategy.

g) Fair Value Classification

Investment Fund Units are recorded at fair value, which is the closing NAV per unit of the underlying fund. This valuation is considered to be a Level 1 classification.

American Equity Fund (BG) SF562

Supplemental Information (unaudited)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾

For the years ended December 31	2023	2022	2021	2020	2019
75/75 guarantee policy	2.93	2.95	2.96	2.87	2.88
75/100 guarantee policy	3.15	3.18	3.18	3.09	3.10
100/100 guarantee policy	3.49	3.51	3.53	3.41	—
PS1 75/75 guarantee policy	2.44	2.46	2.46	2.39	2.43
PS1 75/100 guarantee policy	2.71	2.74	2.74	2.66	2.70
PS1 100/100 guarantee policy	3.10	3.13	3.14	—	—
PS 75/75 guarantee policy	1.82	1.82	1.83	—	—
PS 75/100 guarantee policy	2.04	2.06	2.07	1.99	—
PPS 75/75 guarantee policy	1.33	1.33	1.34	1.28	1.33
PPS 75/100 guarantee policy	1.60	1.60	1.62	1.55	1.59
PPS 100/100 guarantee policy	—	—	2.01	1.95	—

Unsubsidized Management Expense Ratio (%) ⁽²⁾

For the years ended December 31	2023	2022	2021	2020	2019
PS1 75/75 guarantee policy	2.47	2.49	2.49	2.43	2.43
PS1 75/100 guarantee policy	2.74	2.77	2.77	2.70	2.70
PS1 100/100 guarantee policy	3.13	3.16	3.17	—	—
PPS 75/75 guarantee policy	1.36	1.36	1.37	1.32	1.33
PPS 75/100 guarantee policy	1.63	1.63	1.65	1.59	1.59
PPS 100/100 guarantee policy	—	—	2.04	1.99	—

Portfolio Turnover Rate (%) ⁽³⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	7.07	3.36	6.03	10.04	0.05

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The Company has waived a portion of the fees for the Preferred Series 1 and Preferred Partner Series guarantee policies. There is no obligation for the Company to continue waiving these fees and it may cease to do so at any time without notice.

(3) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
IVY CANADIAN BALANCED FUND (MACKENZIE) SF563

December 31, 2023

Independent Auditor's Report

To the Contractholders of Ivy Canadian Balanced Fund (Mackenzie) SF563 (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

Ivy Canadian Balanced Fund (Mackenzie) SF563

(in Canadian \$ thousands)

Fund Manager: Mackenzie Investments

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ 10	\$ —
Investment income due and accrued	—	—
Due from The Canada Life Assurance Company (note 8)	54	—
Due from brokers	—	—
Due from outside parties	—	—
Investments		
Investment fund units (note 3)	39,225	25,448
Total investments	39,225	25,448
Total assets	\$ 39,289	\$ 25,448
Liabilities		
Overdrafts	\$ —	\$ 23
Due to The Canada Life Assurance Company (note 8)	—	11
Due to brokers	6	1
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	6	35
Net assets attributable to contractholders	\$ 39,283	\$ 25,413

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 3,859	\$ (622)
Miscellaneous income (loss)	—	—
Total income (loss)	3,859	(622)
Expenses		
Management fees (note 8)	673	465
Other	77	56
Total expenses	750	521
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 3,109	\$ (1,143)

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year		
	\$ 25,413	\$ 18,129
Contractholder deposits	14,579	11,000
Contractholder withdrawals	(3,818)	(2,573)
Increase (decrease) in net assets from operations attributable to contractholders	3,109	(1,143)
Change in net assets attributable to contractholders	13,870	7,284
Net assets attributable to contractholders - end of year	\$ 39,283	\$ 25,413

Ivy Canadian Balanced Fund (Mackenzie) SF563

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 3,109	\$ (1,143)
Adjustments		
Realized (gains) losses	(110)	(85)
Unrealized (gains) losses	(2,519)	1,519
Gross proceeds of disposition of investments	2,595	2,669
Gross payments for the purchase of investments	(12,513)	(10,614)
Distribution income of underlying mutual fund	(1,230)	(812)
Change in due from/to The Canada Life Assurance Company	(65)	13
Change in due from/to brokers	5	5
	<u>(10,728)</u>	<u>(8,448)</u>
Financing Activities		
Contractholder deposits	14,579	11,000
Contractholder withdrawals	(3,818)	(2,573)
	<u>10,761</u>	<u>8,427</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	33	(21)
Cash, short-term deposits and overdrafts, beginning of year	<u>(23)</u>	<u>(2)</u>
Cash, short-term deposits and overdrafts, end of year	<u>\$ 10</u>	<u>\$ (23)</u>

Ivy Canadian Balanced Fund (Mackenzie) SF563

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units)

As at December 31, 2023

	<u>No. of Units</u>	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units			
Mackenzie Ivy Canadian Balanced Fund Series S *	3,377,096	36,876	39,225
Total Investments		36,876	39,225

Top 25 Holdings

Security Description	% of Total
Brookfield Corp.	3.48%
Intact Financial Corp.	3.38%
Restaurant Brands International Inc.	3.34%
Royal Bank of Canada	3.28%
The Toronto-Dominion Bank	3.15%
Alimentation Couche-Tard Inc.	2.86%
TELUS Corp.	2.56%
Emera Inc.	2.54%
Dollarama Inc.	2.49%
Visa Inc. Class A	2.45%
CCL Industries Inc. Class B non-voting	2.39%
Alphabet Inc. Class C	2.19%
Danaher Corp.	2.15%
CGI Group Inc. Class A sub. voting	2.10%
Microsoft Corp.	2.06%
Canadian National Railway Co.	2.00%
Johnson & Johnson Inc.	1.96%
Waste Connections Inc.	1.91%
Compass Group PLC	1.86%
The Williams Companies Inc.	1.86%
Onex Corp. sub. voting	1.85%
Suncor Energy Inc.	1.76%
Open Text Corp.	1.74%
Pembina Pipeline Corp.	1.73%
Union Pacific Corp.	1.70%

*The issuer of this security is a related company to the issuer of the Fund.

Ivy Canadian Balanced Fund (Mackenzie) SF563

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Net Assets Attributable to Contractholders by Category

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
75/75 guarantee policy	239,262	193,251	133,066	63,077	22,142	2,825	2,074	1,518	630	226
75/100 guarantee policy	1,970,771	1,316,541	825,954	285,476	39,889	23,230	14,110	9,416	2,848	408
100/100 guarantee policy	51,814	47,885	30,057	10,555	3,521	607	510	342	105	36
PS1 75/75 guarantee policy	173,003	143,251	50,102	23,591	7,883	2,073	1,555	576	236	81
PS1 75/100 guarantee policy	518,594	344,023	267,516	91,622	15,501	6,171	3,714	3,065	917	158
PS1 100/100 guarantee policy	20,786	19,626	5,159	—	—	244	210	59	—	—
PS2 75/75 guarantee policy	5,229	5,578	4,044	98	—	69	65	49	1	—
PS2 75/100 guarantee policy	112,907	126,767	137,695	90,067	91,076	1,489	1,479	1,663	927	934
PS2 100/100 guarantee policy	4,178	4,281	1,474	—	—	55	50	18	—	—
PS 75/75 guarantee policy	8,122	6,118	4,179	4,201	—	101	68	49	42	—
PS 75/100 guarantee policy	174,355	120,042	90,653	18,634	1,329	2,152	1,333	1,059	188	14
PPS 75/75 guarantee policy	3,917	3,953	4,117	—	—	49	44	48	—	—
PPS 75/100 guarantee policy	17,481	17,998	20,490	16,085	—	218	201	240	164	—
PPS 100/100 guarantee policy	—	—	2,329	—	—	—	—	27	—	—

Net Assets Attributable to Contractholders Per Unit (note 7)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
75/75 guarantee policy	11.81	10.73	11.41	9.98	10.22	1.08	(0.68)
75/100 guarantee policy	11.79	10.72	11.40	9.98	10.22	1.07	(0.68)
100/100 guarantee policy	11.71	10.66	11.36	9.96	10.22	1.05	(0.70)
PS1 75/75 guarantee policy	11.98	10.85	11.50	10.02	10.22	1.13	(0.65)
PS1 75/100 guarantee policy	11.90	10.80	11.46	10.00	10.22	1.10	(0.66)
PS1 100/100 guarantee policy	11.76	10.69	11.37	—	—	1.07	(0.68)
PS2 75/75 guarantee policy	13.18	11.67	12.08	10.29	—	1.51	(0.41)
PS2 75/100 guarantee policy	13.19	11.67	12.08	10.29	10.26	1.52	(0.41)
PS2 100/100 guarantee policy	13.15	11.64	12.05	—	—	1.51	(0.41)
PS 75/75 guarantee policy	12.37	11.12	11.69	10.11	—	1.25	(0.57)
PS 75/100 guarantee policy	12.35	11.10	11.68	10.11	10.24	1.25	(0.58)
PPS 75/75 guarantee policy	12.52	11.21	11.75	—	—	1.31	(0.54)
PPS 75/100 guarantee policy	12.46	11.18	11.73	10.13	—	1.28	(0.55)
PPS 100/100 guarantee policy	—	—	11.65	—	—	—	—

Ivy Canadian Balanced Fund (Mackenzie) SF563

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Ivy Canadian Balanced Fund (Mackenzie) SF563 (the Fund) is offered by The Canada Life Assurance Company (Canada Life or the Company).

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

Ivy Canadian Balanced Fund (Mackenzie) SF563

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

Ivy Canadian Balanced Fund (Mackenzie) SF563

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in note 9 on Financial Instrument Risk Management.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

Ivy Canadian Balanced Fund (Mackenzie) SF563

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Investment Fund Units

Investment fund units are recorded at fair value, which is the closing net asset value (NAV) per unit of the underlying fund.

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Ivy Canadian Balanced Fund (Mackenzie) SF563

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

Ivy Canadian Balanced Fund (Mackenzie) SF563

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

k) **Income Allocation**

Net gain (loss) on investments, which includes realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the NAV per unit.

l) **Issue and Redemption of Units**

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

3. INVESTMENT FUND UNITS

Investment fund units of the Fund invest solely in underlying mutual funds.

As the Fund's assets are invested in underlying investment funds, the Fund indirectly pays management fees and operating expenses of the underlying funds. All such charges are included in the management expense ratio of the segregated funds.

Distributions of income from the underlying investment funds are shown as net gain (loss) on investments on the Statement of Comprehensive Income.

Investment activity of the underlying fund indirectly exposes the Fund to financial risk. See note 9 on Financial Instrument Risk Management.

Investments in unconsolidated structured entities

The Company has determined that the Fund meets the definition of an investment entity and as such, accounts for its holdings in unlisted open-ended investment funds at FVTPL. The Company has concluded that the underlying funds in which the Fund invests, but do not consolidate, meet the definition of structured entities because: (i) the voting rights in the underlying funds are not dominant rights in deciding who controls them; (ii) each underlying fund's activities are restricted by its prospectus; and (iii) the underlying funds have narrow and well-defined objectives to provide investment opportunities to investors.

Ivy Canadian Balanced Fund (Mackenzie) SF563

Notes to the Financial Statements

(in Canadian \$ thousands)

4. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Emperor,
- Flex,
- Generations/Mosaic,
- Generations I,
- Generations II,
- Generations Core,
- Prestige/Prestige Plus, and
- Private Collections.

In addition to the Individual units, units are available for:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

The categories of units, and the various levels within each, are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

Ivy Canadian Balanced Fund (Mackenzie) SF563

Notes to the Financial Statements

(in Canadian \$ thousands)

5. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

6. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

7. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

The NAV per unit for group contractholders has not been shown because it will vary for each sub-class within the group contractholder class based on negotiated expense levels and other factors.

Ivy Canadian Balanced Fund (Mackenzie) SF563

Notes to the Financial Statements

(in Canadian \$ thousands)

8. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.
- c) The Fund invests in assets or underlying funds managed by Mackenzie Financial Corporation, which operates as Mackenzie Investments. All investment transactions with the corresponding underlying funds are at quoted market prices.

Ivy Canadian Balanced Fund (Mackenzie) SF563

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT

a) Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023. The following sections describe the significant risks that are relevant to the Fund.

To assist with managing risk, the Fund Manager maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and securities regulations. Financial statements for the underlying funds, which include discussions about their respective risk exposure, are available upon request.

b) Liquidity Risk

Liquidity risk arises when a Fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units. As the Fund primarily invests all of its net assets in the underlying funds, liquidity risk is mitigated by the underlying funds' ability to meet the obligation to fund daily cash redemptions of their redeemable units/shares. In addition, the underlying funds retain sufficient cash and cash equivalent positions to maintain adequate liquidity.

c) Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The Fund's investments in all underlying funds are denominated in Canadian dollars. However, the Fund is indirectly exposed to currency risk to the extent that the investments of the underlying funds are denominated or traded in a foreign currency.

d) Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund does not directly hold any interest-bearing financial instruments. The Fund is indirectly exposed to the risk that the value of interest-bearing financial instruments held by the underlying funds will fluctuate due to changes in the prevailing levels of market interest rates.

e) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund has no direct exposure to credit risk. The greatest indirect concentration of credit risk is in debt securities, such as bonds, held by underlying funds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer.

f) Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. For the instruments held by the Fund, maximum risk of loss is equivalent to their fair value. The Fund Manager moderates this risk through a careful selection of underlying funds within the parameters of the investment strategy.

g) Fair Value Classification

Investment Fund Units are recorded at fair value, which is the closing NAV per unit of the underlying fund. This valuation is considered to be a Level 1 classification.

Ivy Canadian Balanced Fund (Mackenzie) SF563

Supplemental Information (unaudited)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾

For the years ended December 31	2023	2022	2021	2020	2019
75/75 guarantee policy	2.67	2.68	2.67	2.62	2.59
75/100 guarantee policy	2.72	2.72	2.71	2.66	2.64
100/100 guarantee policy	2.88	2.89	2.90	2.83	2.80
PS1 75/75 guarantee policy	2.32	2.34	2.32	2.27	2.25
PS1 75/100 guarantee policy	2.49	2.49	2.48	2.43	2.41
PS1 100/100 guarantee policy	2.71	2.73	2.73	—	—
PS 75/75 guarantee policy	1.56	1.56	1.57	1.52	—
PS 75/100 guarantee policy	1.60	1.61	1.60	1.57	1.54
PPS 75/75 guarantee policy	1.21	1.21	1.21	—	—
PPS 75/100 guarantee policy	1.37	1.38	1.37	1.34	—
PPS 100/100 guarantee policy	—	—	1.62	—	—

Portfolio Turnover Rate (%) ⁽²⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	8.20	12.09	6.22	38.19	11.98

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
IVY FOREIGN EQUITY FUND (MACKENZIE) SF564

December 31, 2023

Independent Auditor's Report

To the Contractholders of Ivy Foreign Equity Fund (Mackenzie) SF564 (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

Ivy Foreign Equity Fund (Mackenzie) SF564

(in Canadian \$ thousands)

Fund Manager: Canada Life Investment Management Ltd.

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ 5	\$ —
Investment income due and accrued	—	—
Due from The Canada Life Assurance Company (note 8)	—	97
Due from brokers	20	—
Due from outside parties	—	—
Investments		
Investment fund units (note 3)	52,611	50,040
Total investments	52,611	50,040
Total assets	\$ 52,636	\$ 50,137
Liabilities		
Overdrafts	\$ —	\$ —
Due to The Canada Life Assurance Company (note 8)	27	—
Due to brokers	—	20
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	27	20
Net assets attributable to contractholders	\$ 52,609	\$ 50,117

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 6,105	\$ (4,404)
Miscellaneous income (loss)	—	—
Total income (loss)	6,105	(4,404)
Expenses		
Management fees (note 8)	1,040	983
Other	121	114
Total expenses	1,161	1,097
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 4,944	\$ (5,501)

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year		
	\$ 50,117	\$ 61,449
Contractholder deposits	4,096	12,103
Contractholder withdrawals	(6,548)	(17,934)
Increase (decrease) in net assets from operations attributable to contractholders	4,944	(5,501)
Change in net assets attributable to contractholders	2,492	(11,332)
Net assets attributable to contractholders - end of year	\$ 52,609	\$ 50,117

Ivy Foreign Equity Fund (Mackenzie) SF564

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 4,944	\$ (5,501)
Adjustments		
Realized (gains) losses	96	2,001
Unrealized (gains) losses	(5,320)	3,097
Gross proceeds of disposition of investments	7,538	18,671
Gross payments for the purchase of investments	(4,004)	(11,778)
Distribution income of underlying mutual fund	(881)	(694)
Change in due from/to The Canada Life Assurance Company	124	(60)
Change in due from/to brokers	(40)	23
	<u>2,457</u>	<u>5,759</u>
Financing Activities		
Contractholder deposits	4,096	12,103
Contractholder withdrawals	(6,548)	(17,934)
	<u>(2,452)</u>	<u>(5,831)</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	5	(72)
Cash, short-term deposits and overdrafts, beginning of year	—	72
Cash, short-term deposits and overdrafts, end of year	\$ 5	\$ —

Ivy Foreign Equity Fund (Mackenzie) SF564

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units)

As at December 31, 2023

	<u>No. of Units</u>	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units			
Canada Life Foreign Equity Fund Series S *	2,359,164	51,403	52,611
Total Investments		51,403	52,611

Top 25 Holdings

Security Description	% of Total
Cash and short-term deposits	7.63%
Danaher Corp.	4.28%
Colgate Palmolive Co.	3.60%
Alphabet Inc. Class A	3.15%
Brookfield Corp.	3.12%
Berkshire Hathaway Inc. Class B	3.05%
Johnson & Johnson Inc.	3.00%
Reckitt Benckiser Group PLC	2.85%
Compass Group PLC	2.80%
Seven & i Holdings Co. Ltd.	2.75%
W. W. Grainger Inc.	2.70%
Accenture PLC Class A	2.65%
Roche Holding AG	2.64%
Industria de Diseno Textil SA	2.52%
Visa Inc. Class A	2.48%
Oracle Corp.	2.47%
RELX PLC	2.34%
Halma PLC	2.31%
Union Pacific Corp.	2.26%
Amcor PLC	2.23%
Microsoft Corp.	2.23%
Admiral Group PLC	2.15%
Deutsche Boerse AG	2.12%
Heineken NV	2.12%
Abbott Laboratories	2.09%

*The issuer of this security is a related company to the issuer of the Fund.

Ivy Foreign Equity Fund (Mackenzie) SF564

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Net Assets Attributable to Contractholders by Category

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
75/75 guarantee policy	499,331	516,925	473,545	225,754	33,752	6,038	5,719	5,770	2,568	341
75/100 guarantee policy	911,687	968,492	912,848	468,818	50,291	10,948	10,660	11,083	5,322	509
100/100 guarantee policy	44,326	40,962	44,345	37,396	—	521	443	532	422	—
PS1 75/75 guarantee policy	352,470	379,666	336,718	144,375	3,274	4,345	4,263	4,145	1,651	33
PS1 75/100 guarantee policy	935,007	1,013,916	979,529	427,209	34,343	11,368	11,266	11,970	4,867	347
PS1 100/100 guarantee policy	8,735	11,057	19,454	6,300	—	104	121	235	71	—
PS2 75/75 guarantee policy	277,276	250,324	167,655	35,124	12,653	3,796	3,043	2,177	413	129
PS2 75/100 guarantee policy	266,757	289,356	312,807	134,997	47,757	3,652	3,517	4,063	1,588	485
PS2 100/100 guarantee policy	3,597	2,794	—	—	—	49	34	—	—	—
PS 75/75 guarantee policy	118,746	119,511	100,750	50,517	6,384	1,504	1,369	1,257	582	65
PS 75/100 guarantee policy	178,956	179,070	134,577	76,572	18,339	2,250	2,041	1,673	880	186
PPS 75/75 guarantee policy	243,802	242,314	163,221	75,209	32,312	3,147	2,818	2,057	871	328
PPS 75/100 guarantee policy	383,825	419,153	396,701	153,781	40,993	4,887	4,823	4,965	1,774	415

Net Assets Attributable to Contractholders Per Unit (note 7)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
75/75 guarantee policy	12.09	11.06	12.18	11.37	10.12	1.03	(1.12)
75/100 guarantee policy	12.01	11.01	12.14	11.35	10.11	1.00	(1.13)
100/100 guarantee policy	11.75	10.83	12.01	11.28	—	0.92	(1.18)
PS1 75/75 guarantee policy	12.33	11.23	12.31	11.44	10.12	1.10	(1.08)
PS1 75/100 guarantee policy	12.16	11.11	12.22	11.39	10.12	1.05	(1.11)
PS1 100/100 guarantee policy	11.94	10.96	12.10	11.33	—	0.98	(1.14)
PS2 75/75 guarantee policy	13.69	12.15	12.99	11.76	10.16	1.54	(0.84)
PS2 75/100 guarantee policy	13.69	12.15	12.99	11.76	10.16	1.54	(0.84)
PS2 100/100 guarantee policy	13.67	12.14	—	—	—	1.53	(0.83)
PS 75/75 guarantee policy	12.66	11.46	12.48	11.52	10.13	1.20	(1.02)
PS 75/100 guarantee policy	12.57	11.40	12.43	11.50	10.13	1.17	(1.03)
PPS 75/75 guarantee policy	12.91	11.63	12.61	11.58	10.14	1.28	(0.98)
PPS 75/100 guarantee policy	12.73	11.51	12.52	11.54	10.13	1.22	(1.01)

Ivy Foreign Equity Fund (Mackenzie) SF564

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Ivy Foreign Equity Fund (Mackenzie) SF564 (the Fund) is offered by The Canada Life Assurance Company (Canada Life or the Company).

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

Ivy Foreign Equity Fund (Mackenzie) SF564

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

Ivy Foreign Equity Fund (Mackenzie) SF564

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in note 9 on Financial Instrument Risk Management.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

Ivy Foreign Equity Fund (Mackenzie) SF564

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Investment Fund Units

Investment fund units are recorded at fair value, which is the closing net asset value (NAV) per unit of the underlying fund.

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Ivy Foreign Equity Fund (Mackenzie) SF564

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

Ivy Foreign Equity Fund (Mackenzie) SF564

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

k) Income Allocation

Net gain (loss) on investments, which includes realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the NAV per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

3. INVESTMENT FUND UNITS

Investment fund units of the Fund invest solely in underlying mutual funds.

As the Fund's assets are invested in underlying investment funds, the Fund indirectly pays management fees and operating expenses of the underlying funds. All such charges are included in the management expense ratio of the segregated funds.

Distributions of income from the underlying investment funds are shown as net gain (loss) on investments on the Statement of Comprehensive Income.

Investment activity of the underlying fund indirectly exposes the Fund to financial risk. See note 9 on Financial Instrument Risk Management.

Investments in unconsolidated structured entities

The Company has determined that the Fund meets the definition of an investment entity and as such, accounts for its holdings in unlisted open-ended investment funds at FVTPL. The Company has concluded that the underlying funds in which the Fund invests, but do not consolidate, meet the definition of structured entities because: (i) the voting rights in the underlying funds are not dominant rights in deciding who controls them; (ii) each underlying fund's activities are restricted by its prospectus; and (iii) the underlying funds have narrow and well-defined objectives to provide investment opportunities to investors.

Ivy Foreign Equity Fund (Mackenzie) SF564

Notes to the Financial Statements

(in Canadian \$ thousands)

4. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Emperor,
- Flex,
- Generations/Mosaic,
- Generations I,
- Generations II,
- Generations Core,
- Prestige/Prestige Plus, and
- Private Collections.

In addition to the Individual units, units are available for:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

The categories of units, and the various levels within each, are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

Ivy Foreign Equity Fund (Mackenzie) SF564

Notes to the Financial Statements

(in Canadian \$ thousands)

5. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

6. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

7. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

The NAV per unit for group contractholders has not been shown because it will vary for each sub-class within the group contractholder class based on negotiated expense levels and other factors.

Ivy Foreign Equity Fund (Mackenzie) SF564

Notes to the Financial Statements

(in Canadian \$ thousands)

8. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.
- c) The Fund invests in assets or underlying funds managed by Canada Life Investment Management Ltd. All investment transactions with the corresponding underlying funds are at quoted market prices.

Ivy Foreign Equity Fund (Mackenzie) SF564

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT

a) Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023. The following sections describe the significant risks that are relevant to the Fund.

To assist with managing risk, the Fund Manager maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and securities regulations. Financial statements for the underlying funds, which include discussions about their respective risk exposure, are available upon request.

b) Liquidity Risk

Liquidity risk arises when a Fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units. As the Fund primarily invests all of its net assets in the underlying funds, liquidity risk is mitigated by the underlying funds' ability to meet the obligation to fund daily cash redemptions of their redeemable units/shares. In addition, the underlying funds retain sufficient cash and cash equivalent positions to maintain adequate liquidity.

c) Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The Fund's investments in all underlying funds are denominated in Canadian dollars. However, the Fund is indirectly exposed to currency risk to the extent that the investments of the underlying funds are denominated or traded in a foreign currency.

d) Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund does not directly hold any interest-bearing financial instruments. The Fund is indirectly exposed to the risk that the value of interest-bearing financial instruments held by the underlying funds will fluctuate due to changes in the prevailing levels of market interest rates.

e) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund has no direct exposure to credit risk. The greatest indirect concentration of credit risk is in debt securities, such as bonds, held by underlying funds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer.

f) Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. For the instruments held by the Fund, maximum risk of loss is equivalent to their fair value. The Fund Manager moderates this risk through a careful selection of underlying funds within the parameters of the investment strategy.

g) Fair Value Classification

Investment Fund Units are recorded at fair value, which is the closing NAV per unit of the underlying fund. This valuation is considered to be a Level 1 classification.

Ivy Foreign Equity Fund (Mackenzie) SF564

Supplemental Information (unaudited)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾

For the years ended December 31	2023	2022	2021	2020	2019
75/75 guarantee policy	3.01	3.02	2.99	2.96	2.95
75/100 guarantee policy	3.18	3.18	3.16	3.13	3.12
100/100 guarantee policy	3.70	3.71	3.69	3.64	—
PS1 75/75 guarantee policy	2.54	2.55	2.53	2.49	2.50
PS1 75/100 guarantee policy	2.88	2.89	2.86	2.82	2.83
PS1 100/100 guarantee policy	3.33	3.34	3.32	3.26	—
PS 75/75 guarantee policy	1.89	1.90	1.88	1.85	1.86
PS 75/100 guarantee policy	2.06	2.07	2.05	2.02	2.02
PPS 75/75 guarantee policy	1.43	1.44	1.42	1.38	1.40
PPS 75/100 guarantee policy	1.77	1.78	1.75	1.71	1.73

Unsubsidized Management Expense Ratio (%) ⁽²⁾

For the years ended December 31	2023	2022	2021	2020	2019
PS1 75/75 guarantee policy	2.54	2.55	2.53	2.51	2.50
PS1 75/100 guarantee policy	2.88	2.89	2.86	2.84	2.83
PS1 100/100 guarantee policy	3.33	3.34	3.32	3.28	—
PPS 75/75 guarantee policy	1.43	1.44	1.42	1.40	1.40
PPS 75/100 guarantee policy	1.77	1.78	1.75	1.73	1.73

Portfolio Turnover Rate (%) ⁽³⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	7.82	20.91	91.12	7.61	0.04

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The Company has waived a portion of the fees for the Preferred Series 1 and Preferred Partner Series guarantee policies. There is no obligation for the Company to continue waiving these fees and it may cease to do so at any time without notice.

(3) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
DIVIDEND FUND (MACKENZIE) SF565

December 31, 2023

Independent Auditor's Report

To the Contractholders of Dividend Fund (Mackenzie) SF565 (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

Dividend Fund (Mackenzie) SF565

(in Canadian \$ thousands)

Fund Manager: Canada Life Investment Management Ltd.

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ 707	\$ 93
Investment income due and accrued	—	—
Due from The Canada Life Assurance Company (note 8)	96	90
Due from brokers	—	—
Due from outside parties	—	—
Investments		
Investment fund units (note 3)	128,459	103,658
Total investments	128,459	103,658
Total assets	\$ 129,262	\$ 103,841
Liabilities		
Overdrafts	\$ —	\$ —
Due to The Canada Life Assurance Company (note 8)	—	—
Due to brokers	587	89
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	587	89
Net assets attributable to contractholders	\$ 128,675	\$ 103,752

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 9,080	\$ (1,206)
Miscellaneous income (loss)	—	—
Total income (loss)	9,080	(1,206)
Expenses		
Management fees (note 8)	2,645	1,776
Other	305	204
Total expenses	2,950	1,980
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 6,130	\$ (3,186)

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year		
	\$ 103,752	\$ 43,989
Contractholder deposits	34,295	69,786
Contractholder withdrawals	(15,502)	(6,837)
Increase (decrease) in net assets from operations attributable to contractholders	6,130	(3,186)
Change in net assets attributable to contractholders	24,923	59,763
Net assets attributable to contractholders - end of year	\$ 128,675	\$ 103,752

Dividend Fund (Mackenzie) SF565

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 6,130	\$ (3,186)
Adjustments		
Realized (gains) losses	104	(6)
Unrealized (gains) losses	(4,865)	5,438
Gross proceeds of disposition of investments	8,668	2,881
Gross payments for the purchase of investments	(24,389)	(63,802)
Distribution income of underlying mutual fund	(4,319)	(4,226)
Change in due from/to The Canada Life Assurance Company	(6)	(123)
Change in due from/to brokers	498	(82)
	<u>(18,179)</u>	<u>(63,106)</u>
Financing Activities		
Contractholder deposits	34,295	69,786
Contractholder withdrawals	(15,502)	(6,837)
	<u>18,793</u>	<u>62,949</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	614	(157)
Cash, short-term deposits and overdrafts, beginning of year	<u>93</u>	<u>250</u>
Cash, short-term deposits and overdrafts, end of year	<u>\$ 707</u>	<u>\$ 93</u>

Dividend Fund (Mackenzie) SF565

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units)

As at December 31, 2023

	<u>No. of Units</u>	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units			
Canada Life Canadian Dividend Fund Series S *	4,469,292	125,685	128,459
Total Investments		125,685	128,459

Top 25 Holdings

Security Description	% of Total
Royal Bank of Canada	6.94%
Bank of Montreal	5.26%
The Toronto-Dominion Bank	5.02%
TELUS Corp.	3.80%
Canadian Natural Resources Ltd.	3.77%
Sun Life Financial Inc.	3.62%
TC Energy Corp.	3.60%
Enbridge Inc.	3.00%
Canadian Pacific Kansas City Ltd.	2.92%
The Bank of Nova Scotia	2.82%
Loblaw Companies Ltd.	2.77%
Canadian National Railway Co.	2.67%
Intact Financial Corp.	2.61%
Emera Inc.	2.51%
Manulife Financial Corp.	2.45%
Rogers Communications Inc. Class B non-voting	2.33%
Suncor Energy Inc.	2.18%
Nutrien Ltd.	1.73%
Cash and short-term deposits	1.58%
Pembina Pipeline Corp.	1.57%
Fortis Inc.	1.51%
CCL Industries Inc. Class B non-voting	1.47%
Restaurant Brands International Inc.	1.46%
Brookfield Infrastructure Partners LP Partnership Units	1.30%
Agnico Eagle Mines Ltd.	1.27%

*The issuer of this security is a related company to the issuer of the Fund.

Dividend Fund (Mackenzie) SF565

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Net Assets Attributable to Contractholders by Category

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
75/75 guarantee policy	1,821,335	1,516,151	575,819	298,852	36,554	22,725	17,984	7,013	2,917	371
75/100 guarantee policy	3,060,615	2,530,691	1,259,568	553,479	52,079	37,925	29,862	15,286	5,392	529
100/100 guarantee policy	157,287	116,582	24,379	13,236	2,939	1,920	1,360	293	128	30
PS1 75/75 guarantee policy	1,340,333	1,099,658	533,368	134,061	22,521	17,012	13,215	6,555	1,315	229
PS1 75/100 guarantee policy	2,988,531	2,412,719	871,179	328,733	16,710	37,582	28,791	10,655	3,216	170
PS1 100/100 guarantee policy	78,041	125,760	32,269	6,012	—	968	1,485	392	59	—
PS2 75/75 guarantee policy	98,194	68,926	42,590	16,089	—	1,374	892	550	162	—
PS2 75/100 guarantee policy	300,147	349,855	121,661	27,482	17,610	4,201	4,527	1,572	277	180
PS 75/75 guarantee policy	40,763	40,500	12,381	2,125	—	534	499	155	21	—
PS 75/100 guarantee policy	123,266	159,299	70,113	2,302	94	1,600	1,947	872	23	1
PPS 75/75 guarantee policy	85,017	80,944	32,238	19,740	13,501	1,130	1,007	406	196	137
PPS 75/100 guarantee policy	129,431	176,653	19,204	13,760	3,536	1,704	2,183	240	136	36

Net Assets Attributable to Contractholders Per Unit (note 7)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
75/75 guarantee policy	12.48	11.86	12.18	9.76	10.16	0.62	(0.32)
75/100 guarantee policy	12.39	11.80	12.14	9.74	10.15	0.59	(0.34)
100/100 guarantee policy	12.20	11.66	12.04	9.70	10.15	0.54	(0.38)
PS1 75/75 guarantee policy	12.69	12.02	12.29	9.81	10.16	0.67	(0.27)
PS1 75/100 guarantee policy	12.58	11.93	12.23	9.78	10.16	0.65	(0.30)
PS1 100/100 guarantee policy	12.40	11.81	12.14	9.75	—	0.59	(0.33)
PS2 75/75 guarantee policy	13.99	12.94	12.92	10.07	—	1.05	0.02
PS2 75/100 guarantee policy	14.00	12.94	12.92	10.07	10.20	1.06	0.02
PS 75/75 guarantee policy	13.09	12.31	12.50	9.90	—	0.78	(0.19)
PS 75/100 guarantee policy	12.98	12.22	12.43	9.87	10.17	0.76	(0.21)
PPS 75/75 guarantee policy	13.29	12.45	12.59	9.93	10.18	0.84	(0.14)
PPS 75/100 guarantee policy	13.17	12.36	12.53	9.91	10.18	0.81	(0.17)

Dividend Fund (Mackenzie) SF565

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Dividend Fund (Mackenzie) SF565 (the Fund) is offered by The Canada Life Assurance Company (Canada Life or the Company).

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

Dividend Fund (Mackenzie) SF565

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

Dividend Fund (Mackenzie) SF565

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in note 9 on Financial Instrument Risk Management.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

Dividend Fund (Mackenzie) SF565

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Investment Fund Units

Investment fund units are recorded at fair value, which is the closing net asset value (NAV) per unit of the underlying fund.

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Dividend Fund (Mackenzie) SF565

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

Dividend Fund (Mackenzie) SF565

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

k) Income Allocation

Net gain (loss) on investments, which includes realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the NAV per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

3. INVESTMENT FUND UNITS

Investment fund units of the Fund invest solely in underlying mutual funds.

As the Fund's assets are invested in underlying investment funds, the Fund indirectly pays management fees and operating expenses of the underlying funds. All such charges are included in the management expense ratio of the segregated funds.

Distributions of income from the underlying investment funds are shown as net gain (loss) on investments on the Statement of Comprehensive Income.

Investment activity of the underlying fund indirectly exposes the Fund to financial risk. See note 9 on Financial Instrument Risk Management.

Investments in unconsolidated structured entities

The Company has determined that the Fund meets the definition of an investment entity and as such, accounts for its holdings in unlisted open-ended investment funds at FVTPL. The Company has concluded that the underlying funds in which the Fund invests, but do not consolidate, meet the definition of structured entities because: (i) the voting rights in the underlying funds are not dominant rights in deciding who controls them; (ii) each underlying fund's activities are restricted by its prospectus; and (iii) the underlying funds have narrow and well-defined objectives to provide investment opportunities to investors.

Dividend Fund (Mackenzie) SF565

Notes to the Financial Statements

(in Canadian \$ thousands)

4. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Emperor,
- Flex,
- Generations/Mosaic,
- Generations I,
- Generations II,
- Generations Core,
- Prestige/Prestige Plus, and
- Private Collections.

In addition to the Individual units, units are available for:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

The categories of units, and the various levels within each, are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

Dividend Fund (Mackenzie) SF565

Notes to the Financial Statements

(in Canadian \$ thousands)

5. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

6. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

7. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

The NAV per unit for group contractholders has not been shown because it will vary for each sub-class within the group contractholder class based on negotiated expense levels and other factors.

Dividend Fund (Mackenzie) SF565

Notes to the Financial Statements

(in Canadian \$ thousands)

8. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.
- c) The Fund invests in assets or underlying funds managed by Canada Life Investment Management Ltd. All investment transactions with the corresponding underlying funds are at quoted market prices.

Dividend Fund (Mackenzie) SF565

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT

a) Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023. The following sections describe the significant risks that are relevant to the Fund.

To assist with managing risk, the Fund Manager maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and securities regulations. Financial statements for the underlying funds, which include discussions about their respective risk exposure, are available upon request.

b) Liquidity Risk

Liquidity risk arises when a Fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units. As the Fund primarily invests all of its net assets in the underlying funds, liquidity risk is mitigated by the underlying funds' ability to meet the obligation to fund daily cash redemptions of their redeemable units/shares. In addition, the underlying funds retain sufficient cash and cash equivalent positions to maintain adequate liquidity.

c) Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The Fund's investments in all underlying funds are denominated in Canadian dollars. However, the Fund is indirectly exposed to currency risk to the extent that the investments of the underlying funds are denominated or traded in a foreign currency.

d) Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund does not directly hold any interest-bearing financial instruments. The Fund is indirectly exposed to the risk that the value of interest-bearing financial instruments held by the underlying funds will fluctuate due to changes in the prevailing levels of market interest rates.

e) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund has no direct exposure to credit risk. The greatest indirect concentration of credit risk is in debt securities, such as bonds, held by underlying funds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer.

f) Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. For the instruments held by the Fund, maximum risk of loss is equivalent to their fair value. The Fund Manager moderates this risk through a careful selection of underlying funds within the parameters of the investment strategy.

g) Fair Value Classification

Investment Fund Units are recorded at fair value, which is the closing NAV per unit of the underlying fund. This valuation is considered to be a Level 1 classification.

Dividend Fund (Mackenzie) SF565

Supplemental Information (unaudited)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾

For the years ended December 31	2023	2022	2021	2020	2019
75/75 guarantee policy	2.78	2.79	2.78	2.72	2.73
75/100 guarantee policy	2.95	2.96	2.94	2.89	2.90
100/100 guarantee policy	3.32	3.32	3.31	3.25	3.26
PS1 75/75 guarantee policy	2.38	2.36	2.38	2.30	2.33
PS1 75/100 guarantee policy	2.60	2.60	2.59	2.54	2.55
PS1 100/100 guarantee policy	2.93	2.94	2.94	2.85	—
PS 75/75 guarantee policy	1.67	1.67	1.66	1.64	—
PS 75/100 guarantee policy	1.84	1.83	1.84	1.80	1.80
PPS 75/75 guarantee policy	1.26	1.25	1.26	1.22	1.22
PPS 75/100 guarantee policy	1.49	1.49	1.48	1.43	1.46

Unsubsidized Management Expense Ratio (%) ⁽²⁾

For the years ended December 31	2023	2022	2021	2020	2019
PS1 75/75 guarantee policy	2.38	2.36	2.38	2.32	2.33
PS1 75/100 guarantee policy	2.60	2.60	2.59	2.56	2.55
PS1 100/100 guarantee policy	2.93	2.94	2.94	2.87	—
PPS 75/75 guarantee policy	1.26	1.25	1.26	1.24	1.22
PPS 75/100 guarantee policy	1.49	1.49	1.48	1.45	1.46

Portfolio Turnover Rate (%) ⁽³⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	7.38	3.66	76.44	25.45	0.09

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The Company has waived a portion of the fees for the Preferred Series 1 and Preferred Partner Series guarantee policies. There is no obligation for the Company to continue waiving these fees and it may cease to do so at any time without notice.

(3) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
GLOBAL BALANCED PORTFOLIO FUND 1.04FID

December 31, 2023

Independent Auditor's Report

To the Contractholders of Global Balanced Portfolio Fund 1.04FID (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

Global Balanced Portfolio Fund 1.04FID

(in Canadian \$ thousands)

Fund Manager: Fidelity Investments Canada ULC

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ —	\$ 53
Investment income due and accrued	—	—
Due from The Canada Life Assurance Company (note 8)	152	—
Due from brokers	—	—
Due from outside parties	—	—
Investments		
Investment fund units (note 3)	109,071	74,754
Total investments	109,071	74,754
Total assets	\$ 109,223	\$ 74,807
Liabilities		
Overdrafts	\$ 73	\$ —
Due to The Canada Life Assurance Company (note 8)	—	8
Due to brokers	25	1
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	98	9
Net assets attributable to contractholders	\$ 109,125	\$ 74,798

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 11,795	\$ (6,225)
Miscellaneous income (loss)	—	—
Total income (loss)	11,795	(6,225)
Expenses		
Management fees (note 8)	2,165	1,689
Other	240	191
Total expenses	2,405	1,880
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 9,390	\$ (8,105)

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year		
	\$ 74,798	\$ 65,008
Contractholder deposits	34,402	24,452
Contractholder withdrawals	(9,465)	(6,557)
Increase (decrease) in net assets from operations attributable to contractholders	9,390	(8,105)
Change in net assets attributable to contractholders	34,327	9,790
Net assets attributable to contractholders - end of year	\$ 109,125	\$ 74,798

Global Balanced Portfolio Fund 1.04FID

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 9,390	\$ (8,105)
Adjustments		
Realized (gains) losses	211	405
Unrealized (gains) losses	(9,180)	8,119
Gross proceeds of disposition of investments	5,491	4,966
Gross payments for the purchase of investments	(28,013)	(21,315)
Distribution income of underlying mutual fund	(2,826)	(2,299)
Change in due from/to The Canada Life Assurance Company	(160)	129
Change in due from/to brokers	24	(151)
	<u>(25,063)</u>	<u>(18,251)</u>
Financing Activities		
Contractholder deposits	34,402	24,452
Contractholder withdrawals	(9,465)	(6,557)
	<u>24,937</u>	<u>17,895</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	(126)	(356)
Cash, short-term deposits and overdrafts, beginning of year	53	409
Cash, short-term deposits and overdrafts, end of year	\$ (73)	\$ 53

Global Balanced Portfolio Fund 1.04FID

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units)

As at December 31, 2023

	<u>No. of Units</u>	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units			
Fidelity Global Balanced Portfolio Series O	7,015,769	108,130	109,071
Total Investments		108,130	109,071

Top 25 Holdings

Security Description	% of Total
iShares 20+ Year Treasury Bond ETF	3.40%
iShares Core S&P 500 ETF	2.68%
iShares Gold Trust ETF	1.51%
Microsoft Corp.	1.48%
iShares TIPS Bond ETF	1.42%
Meta Platforms Inc.	1.34%
NVIDIA Corp.	1.19%
United States Treasury 4.625% 10-15-2026	1.00%
Energy Select Sector SPDR Fund	0.99%
Amazon.com Inc.	0.96%
United States Treasury 3.75% 05-31-2030	0.91%
Taiwan Semiconductor Manufacturing Co. Ltd.	0.82%
Apple Inc.	0.75%
Canadian National Railway Co.	0.75%
Canadian Natural Resources Ltd.	0.72%
United States Treasury 3.625% 02-15-2053	0.72%
Samsung Electronics Co. Ltd.	0.66%
Shopify Inc.	0.66%
Eli Lilly and Co.	0.61%
United States Treasury 3.50% 02-15-2033	0.59%
Berkshire Hathaway Inc. Class A	0.58%
Alphabet Inc. Class A	0.56%
Tencent Holdings Ltd.	0.55%
United States Treasury 4.125% 11-15-2032	0.55%
Rogers Communications Inc. Class B non-voting	0.54%

Global Balanced Portfolio Fund 1.04FID

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Net Assets Attributable to Contractholders by Category ⁽¹⁾

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
75/75 guarantee policy	1,651,383	1,328,953	1,053,419	261,246	—	19,348	14,052	12,596	2,940	—
75/100 guarantee policy	3,270,937	2,451,741	2,056,370	543,716	—	37,951	25,744	24,485	6,110	—
PS1 75/75 guarantee policy	675,675	549,347	290,016	180,308	—	8,004	5,856	3,485	2,033	—
PS1 75/100 guarantee policy	2,672,074	2,065,973	1,564,912	249,654	—	31,333	21,859	18,721	2,810	—
PS2 75/75 guarantee policy	70,737	42,130	10,475	5,984	—	918	480	131	69	—
PS2 75/100 guarantee policy	231,070	136,467	93,094	12,569	—	3,000	1,554	1,166	144	—
PS 75/75 guarantee policy	102,014	86,318	96,785	26,026	—	1,245	940	1,179	295	—
PS 75/100 guarantee policy	176,174	155,448	174,779	42,007	—	2,128	1,680	2,119	475	—
PPS 75/75 guarantee policy	217,023	118,435	57,985	7,759	—	2,676	1,300	710	88	—
PPS 75/100 guarantee policy	206,537	122,306	34,108	5,643	—	2,522	1,333	416	65	—

Net Assets Attributable to Contractholders Per Unit ⁽¹⁾ (note 7)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
75/75 guarantee policy	11.72	10.57	11.96	11.25	—	1.15	(1.39)
75/100 guarantee policy	11.60	10.50	11.91	11.24	—	1.10	(1.41)
PS1 75/75 guarantee policy	11.85	10.66	12.02	11.28	—	1.19	(1.36)
PS1 75/100 guarantee policy	11.73	10.58	11.96	11.26	—	1.15	(1.38)
PS2 75/75 guarantee policy	12.98	11.39	12.52	11.46	—	1.59	(1.13)
PS2 75/100 guarantee policy	12.98	11.39	12.52	11.46	—	1.59	(1.13)
PS 75/75 guarantee policy	12.20	10.89	12.18	11.34	—	1.31	(1.29)
PS 75/100 guarantee policy	12.08	10.81	12.12	11.32	—	1.27	(1.31)
PPS 75/75 guarantee policy	12.33	10.98	12.24	11.36	—	1.35	(1.26)
PPS 75/100 guarantee policy	12.21	10.90	12.18	11.34	—	1.31	(1.28)

⁽¹⁾ The Fund commenced on May 11, 2020 and as a result does not have comparative figures for the prior year.

Global Balanced Portfolio Fund 1.04FID

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Global Balanced Portfolio Fund 1.04FID (the Fund) is offered by The Canada Life Assurance Company (Canada Life or the Company).

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

Global Balanced Portfolio Fund 1.04FID

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

Global Balanced Portfolio Fund 1.04FID

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in note 9 on Financial Instrument Risk Management.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

Global Balanced Portfolio Fund 1.04FID

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Investment Fund Units

Investment fund units are recorded at fair value, which is the closing net asset value (NAV) per unit of the underlying fund.

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Global Balanced Portfolio Fund 1.04FID

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

Global Balanced Portfolio Fund 1.04FID

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

k) Income Allocation

Net gain (loss) on investments, which includes realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the NAV per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

3. INVESTMENT FUND UNITS

Investment fund units of the Fund invest solely in underlying mutual funds.

As the Fund's assets are invested in underlying investment funds, the Fund indirectly pays management fees and operating expenses of the underlying funds. All such charges are included in the management expense ratio of the segregated funds.

Distributions of income from the underlying investment funds are shown as net gain (loss) on investments on the Statement of Comprehensive Income.

Investment activity of the underlying fund indirectly exposes the Fund to financial risk. See note 9 on Financial Instrument Risk Management.

Investments in unconsolidated structured entities

The Company has determined that the Fund meets the definition of an investment entity and as such, accounts for its holdings in unlisted open-ended investment funds at FVTPL. The Company has concluded that the underlying funds in which the Fund invests, but do not consolidate, meet the definition of structured entities because: (i) the voting rights in the underlying funds are not dominant rights in deciding who controls them; (ii) each underlying fund's activities are restricted by its prospectus; and (iii) the underlying funds have narrow and well-defined objectives to provide investment opportunities to investors.

Global Balanced Portfolio Fund 1.04FID

Notes to the Financial Statements

(in Canadian \$ thousands)

4. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

The categories of units, and the various levels within each, are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

Global Balanced Portfolio Fund 1.04FID

Notes to the Financial Statements

(in Canadian \$ thousands)

5. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

6. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

7. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

The NAV per unit for group contractholders has not been shown because it will vary for each sub-class within the group contractholder class based on negotiated expense levels and other factors.

Global Balanced Portfolio Fund 1.04FID

Notes to the Financial Statements

(in Canadian \$ thousands)

8. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.

Global Balanced Portfolio Fund 1.04FID

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT

a) Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023. The following sections describe the significant risks that are relevant to the Fund.

To assist with managing risk, the Fund Manager maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and securities regulations. Financial statements for the underlying funds, which include discussions about their respective risk exposure, are available upon request.

b) Liquidity Risk

Liquidity risk arises when a Fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units. As the Fund primarily invests all of its net assets in the underlying funds, liquidity risk is mitigated by the underlying funds' ability to meet the obligation to fund daily cash redemptions of their redeemable units/shares. In addition, the underlying funds retain sufficient cash and cash equivalent positions to maintain adequate liquidity.

c) Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The Fund's investments in all underlying funds are denominated in Canadian dollars. However, the Fund is indirectly exposed to currency risk to the extent that the investments of the underlying funds are denominated or traded in a foreign currency.

d) Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund does not directly hold any interest-bearing financial instruments. The Fund is indirectly exposed to the risk that the value of interest-bearing financial instruments held by the underlying funds will fluctuate due to changes in the prevailing levels of market interest rates.

e) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund has no direct exposure to credit risk. The greatest indirect concentration of credit risk is in debt securities, such as bonds, held by underlying funds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer.

f) Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. For the instruments held by the Fund, maximum risk of loss is equivalent to their fair value. The Fund Manager moderates this risk through a careful selection of underlying funds within the parameters of the investment strategy.

g) Fair Value Classification

Investment Fund Units are recorded at fair value, which is the closing NAV per unit of the underlying fund. This valuation is considered to be a Level 1 classification.

Global Balanced Portfolio Fund 1.04FID

Supplemental Information (unaudited)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾⁽³⁾

For the years ended December 31	2023	2022	2021	2020	2019
75/75 guarantee policy	2.82	2.82	2.83	2.78	—
75/100 guarantee policy	3.09	3.10	3.10	3.05	—
PS1 75/75 guarantee policy	2.52	2.51	2.52	2.49	—
PS1 75/100 guarantee policy	2.80	2.80	2.81	2.76	—
PS 75/75 guarantee policy	1.71	1.71	1.70	1.68	—
PS 75/100 guarantee policy	1.99	1.99	1.98	1.96	—
PPS 75/75 guarantee policy	1.42	1.41	1.41	1.37	—
PPS 75/100 guarantee policy	1.69	1.70	1.68	1.66	—

Portfolio Turnover Rate (%) ⁽²⁾⁽³⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	6.21	7.20	3.14	1.43	—

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

(3) The Fund commenced on May 11, 2020 and as a result does not have comparative figures for the prior year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
GLOBAL INCOME PORTFOLIO FUND 1.03FID

December 31, 2023

Independent Auditor's Report

To the Contractholders of Global Income Portfolio Fund 1.03FID (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

Global Income Portfolio Fund 1.03FID

(in Canadian \$ thousands)

Fund Manager: Fidelity Investments Canada ULC

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ 66	\$ 6
Investment income due and accrued	—	—
Due from The Canada Life Assurance Company (note 8)	—	68
Due from brokers	—	3
Due from outside parties	—	—
Investments		
Investment fund units (note 3)	54,944	39,160
Total investments	54,944	39,160
Total assets	\$ 55,010	\$ 39,237
Liabilities		
Overdrafts	\$ —	\$ —
Due to The Canada Life Assurance Company (note 8)	29	—
Due to brokers	67	—
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	96	—
Net assets attributable to contractholders	\$ 54,914	\$ 39,237

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 4,618	\$ (2,399)
Miscellaneous income (loss)	—	—
Total income (loss)	4,618	(2,399)
Expenses		
Management fees (note 8)	1,115	822
Other	133	99
Total expenses	1,248	921
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 3,370	\$ (3,320)

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year	\$ 39,237	\$ 32,567
Contractholder deposits	16,999	12,849
Contractholder withdrawals	(4,692)	(2,859)
Increase (decrease) in net assets from operations attributable to contractholders	3,370	(3,320)
Change in net assets attributable to contractholders	15,677	6,670
Net assets attributable to contractholders - end of year	\$ 54,914	\$ 39,237

Global Income Portfolio Fund 1.03FID

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 3,370	\$ (3,320)
Adjustments		
Realized (gains) losses	118	149
Unrealized (gains) losses	(3,096)	3,472
Gross proceeds of disposition of investments	3,885	2,295
Gross payments for the purchase of investments	(15,051)	(11,432)
Distribution income of underlying mutual fund	(1,640)	(1,222)
Change in due from/to The Canada Life Assurance Company	97	7
Change in due from/to brokers	70	(62)
	<u>(12,247)</u>	<u>(10,113)</u>
Financing Activities		
Contractholder deposits	16,999	12,849
Contractholder withdrawals	(4,692)	(2,859)
	<u>12,307</u>	<u>9,990</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	60	(123)
Cash, short-term deposits and overdrafts, beginning of year	<u>6</u>	<u>129</u>
Cash, short-term deposits and overdrafts, end of year	<u><u>\$ 66</u></u>	<u><u>\$ 6</u></u>

Global Income Portfolio Fund 1.03FID

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units)

As at December 31, 2023

	<u>No. of Units</u>	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units			
Fidelity Global Income Portfolio Series O	3,859,637	54,813	54,944
Total Investments		54,813	54,944

Top 25 Holdings

Security Description	% of Total
iShares Core S&P 500 ETF	2.18%
iShares 20+ Year Treasury Bond ETF	2.15%
iShares TIPS Bond ETF	2.12%
iShares Gold Trust ETF	1.52%
United States Treasury 4.625% 10-15-2026	1.38%
United States Treasury 3.75% 05-31-2030	1.29%
Microsoft Corp.	1.05%
Government of Canada 3.00% 10-01-2025	0.99%
United States Treasury 3.625% 02-15-2053	0.92%
Energy Select Sector SPDR Fund	0.90%
United States Treasury 3.50% 02-15-2033	0.80%
Apple Inc.	0.78%
United States Treasury 4.125% 11-15-2032	0.77%
Meta Platforms Inc.	0.71%
Taiwan Semiconductor Manufacturing Co. Ltd.	0.59%
United States Treasury 4.125% 08-15-2053	0.56%
Canada Housing Trust No. 1 1.25% 06-15-2026 144A	0.52%
Canadian National Railway Co.	0.52%
NVIDIA Corp.	0.52%
United States Treasury 2.875% 05-15-2052	0.51%
Canadian Natural Resources Ltd.	0.50%
Eli Lilly and Co.	0.45%
Government of Canada 3.00% 04-01-2026	0.45%
Amazon.com Inc.	0.44%
Samsung Electronics Co. Ltd.	0.44%

Global Income Portfolio Fund 1.03FID

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Net Assets Attributable to Contractholders by Category ⁽¹⁾

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
75/75 guarantee policy	996,170	836,181	679,862	230,666	—	10,798	8,452	7,596	2,483	—
75/100 guarantee policy	1,876,800	1,421,134	1,115,447	521,894	—	20,140	14,260	12,406	5,609	—
PS1 75/75 guarantee policy	564,084	485,809	295,987	29,624	—	6,194	4,957	3,326	320	—
PS1 75/100 guarantee policy	1,332,470	888,449	577,952	133,096	—	14,484	8,998	6,465	1,434	—
PS2 75/75 guarantee policy	2,538	2,584	2,630	1,671	—	30	28	31	18	—
PS2 75/100 guarantee policy	105,399	113,795	125,025	82,631	—	1,261	1,236	1,460	905	—
PS 75/75 guarantee policy	10,957	9,616	23,150	—	—	124	100	263	—	—
PS 75/100 guarantee policy	107,414	89,767	62,514	2,670	—	1,200	928	708	29	—
PPS 75/75 guarantee policy	15,188	14,967	9,816	8,565	—	174	157	112	93	—
PPS 75/100 guarantee policy	45,032	11,643	17,606	—	—	509	121	200	—	—

Net Assets Attributable to Contractholders Per Unit ⁽¹⁾ (note 7)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
75/75 guarantee policy	10.84	10.11	11.17	10.77	—	0.73	(1.06)
75/100 guarantee policy	10.73	10.03	11.12	10.75	—	0.70	(1.09)
PS1 75/75 guarantee policy	10.98	10.20	11.24	10.79	—	0.78	(1.04)
PS1 75/100 guarantee policy	10.87	10.13	11.19	10.77	—	0.74	(1.06)
PS2 75/75 guarantee policy	11.96	10.86	11.68	10.95	—	1.10	(0.82)
PS2 75/100 guarantee policy	11.97	10.86	11.68	10.95	—	1.11	(0.82)
PS 75/75 guarantee policy	11.27	10.39	11.36	—	—	0.88	(0.97)
PS 75/100 guarantee policy	11.17	10.33	11.33	10.82	—	0.84	(1.00)
PPS 75/75 guarantee policy	11.43	10.51	11.44	10.87	—	0.92	(0.93)
PPS 75/100 guarantee policy	11.30	10.41	11.37	—	—	0.89	(0.96)

⁽¹⁾ The Fund commenced on May 11, 2020 and as a result does not have comparative figures for the prior year.

Global Income Portfolio Fund 1.03FID

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Global Income Portfolio Fund 1.03FID (the Fund) is offered by The Canada Life Assurance Company (Canada Life or the Company).

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

Global Income Portfolio Fund 1.03FID

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

Global Income Portfolio Fund 1.03FID

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in note 9 on Financial Instrument Risk Management.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

Global Income Portfolio Fund 1.03FID

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Investment Fund Units

Investment fund units are recorded at fair value, which is the closing net asset value (NAV) per unit of the underlying fund.

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Global Income Portfolio Fund 1.03FID

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

Global Income Portfolio Fund 1.03FID

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

k) Income Allocation

Net gain (loss) on investments, which includes realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the NAV per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

3. INVESTMENT FUND UNITS

Investment fund units of the Fund invest solely in underlying mutual funds.

As the Fund's assets are invested in underlying investment funds, the Fund indirectly pays management fees and operating expenses of the underlying funds. All such charges are included in the management expense ratio of the segregated funds.

Distributions of income from the underlying investment funds are shown as net gain (loss) on investments on the Statement of Comprehensive Income.

Investment activity of the underlying fund indirectly exposes the Fund to financial risk. See note 9 on Financial Instrument Risk Management.

Investments in unconsolidated structured entities

The Company has determined that the Fund meets the definition of an investment entity and as such, accounts for its holdings in unlisted open-ended investment funds at FVTPL. The Company has concluded that the underlying funds in which the Fund invests, but do not consolidate, meet the definition of structured entities because: (i) the voting rights in the underlying funds are not dominant rights in deciding who controls them; (ii) each underlying fund's activities are restricted by its prospectus; and (iii) the underlying funds have narrow and well-defined objectives to provide investment opportunities to investors.

Global Income Portfolio Fund 1.03FID

Notes to the Financial Statements

(in Canadian \$ thousands)

4. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

The categories of units, and the various levels within each, are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

Global Income Portfolio Fund 1.03FID

Notes to the Financial Statements

(in Canadian \$ thousands)

5. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

6. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

7. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

The NAV per unit for group contractholders has not been shown because it will vary for each sub-class within the group contractholder class based on negotiated expense levels and other factors.

Global Income Portfolio Fund 1.03FID

Notes to the Financial Statements

(in Canadian \$ thousands)

8. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.

Global Income Portfolio Fund 1.03FID

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT

a) Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023. The following sections describe the significant risks that are relevant to the Fund.

To assist with managing risk, the Fund Manager maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and securities regulations. Financial statements for the underlying funds, which include discussions about their respective risk exposure, are available upon request.

b) Liquidity Risk

Liquidity risk arises when a Fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units. As the Fund primarily invests all of its net assets in the underlying funds, liquidity risk is mitigated by the underlying funds' ability to meet the obligation to fund daily cash redemptions of their redeemable units/shares. In addition, the underlying funds retain sufficient cash and cash equivalent positions to maintain adequate liquidity.

c) Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The Fund's investments in all underlying funds are denominated in Canadian dollars. However, the Fund is indirectly exposed to currency risk to the extent that the investments of the underlying funds are denominated or traded in a foreign currency.

d) Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund does not directly hold any interest-bearing financial instruments. The Fund is indirectly exposed to the risk that the value of interest-bearing financial instruments held by the underlying funds will fluctuate due to changes in the prevailing levels of market interest rates.

e) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund has no direct exposure to credit risk. The greatest indirect concentration of credit risk is in debt securities, such as bonds, held by underlying funds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer.

f) Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. For the instruments held by the Fund, maximum risk of loss is equivalent to their fair value. The Fund Manager moderates this risk through a careful selection of underlying funds within the parameters of the investment strategy.

g) Fair Value Classification

Investment Fund Units are recorded at fair value, which is the closing NAV per unit of the underlying fund. This valuation is considered to be a Level 1 classification.

Global Income Portfolio Fund 1.03FID

Supplemental Information (unaudited)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾⁽³⁾

For the years ended December 31	2023	2022	2021	2020	2019
75/75 guarantee policy	2.73	2.72	2.71	2.67	—
75/100 guarantee policy	3.01	3.00	2.99	2.94	—
PS1 75/75 guarantee policy	2.37	2.37	2.37	2.32	—
PS1 75/100 guarantee policy	2.65	2.65	2.65	2.60	—
PS 75/75 guarantee policy	1.61	1.62	1.61	—	—
PS 75/100 guarantee policy	1.89	1.89	1.89	1.85	—
PPS 75/75 guarantee policy	1.26	1.25	1.26	1.23	—
PPS 75/100 guarantee policy	1.54	1.54	1.54	—	—

Portfolio Turnover Rate (%) ⁽²⁾⁽³⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	8.20	6.45	7.99	2.71	—

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

(3) The Fund commenced on May 11, 2020 and as a result does not have comparative figures for the prior year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
GLOBAL GROWTH BALANCED FUND 1.02MAC

December 31, 2023

Independent Auditor's Report

To the Contractholders of Global Growth Balanced Fund 1.02MAC (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

Global Growth Balanced Fund 1.02MAC

(in Canadian \$ thousands)

Fund Manager: Mackenzie Investments

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ —	\$ 74
Investment income due and accrued	—	—
Due from The Canada Life Assurance Company (note 8)	—	—
Due from brokers	—	—
Due from outside parties	—	—
Investments		
Investment fund units (note 3)	43,861	37,389
Total investments	43,861	37,389
Total assets	\$ 43,861	\$ 37,463
Liabilities		
Overdrafts	\$ 28	\$ —
Due to The Canada Life Assurance Company (note 8)	3	9
Due to brokers	11	68
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	42	77
Net assets attributable to contractholders	\$ 43,819	\$ 37,386

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 4,695	\$ (6,469)
Miscellaneous income (loss)	3	—
Total income (loss)	4,698	(6,469)
Expenses		
Management fees (note 8)	924	844
Other	100	87
Total expenses	1,024	931
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 3,674	\$ (7,400)

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year		
	\$ 37,386	\$ 40,363
Contractholder deposits	6,970	6,925
Contractholder withdrawals	(4,211)	(2,502)
Increase (decrease) in net assets from operations attributable to contractholders	3,674	(7,400)
Change in net assets attributable to contractholders	6,433	(2,977)
Net assets attributable to contractholders - end of year	\$ 43,819	\$ 37,386

Global Growth Balanced Fund 1.02MAC

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 3,674	\$ (7,400)
Adjustments		
Realized (gains) losses	107	413
Unrealized (gains) losses	(4,211)	6,802
Gross proceeds of disposition of investments	3,639	5,284
Gross payments for the purchase of investments	(5,416)	(8,943)
Distribution income of underlying mutual fund	(591)	(746)
Change in due from/to The Canada Life Assurance Company	(6)	96
Change in due from/to brokers	(57)	49
	<u>(2,861)</u>	<u>(4,445)</u>
Financing Activities		
Contractholder deposits	6,970	6,925
Contractholder withdrawals	(4,211)	(2,502)
	<u>2,759</u>	<u>4,423</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	(102)	(22)
Cash, short-term deposits and overdrafts, beginning of year	74	96
Cash, short-term deposits and overdrafts, end of year	\$ (28)	\$ 74

Global Growth Balanced Fund 1.02MAC

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units)

As at December 31, 2023

	<u>No. of Units</u>	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units			
Mackenzie Bluewater Global Growth Balanced Fund Series S *	3,706,454	42,954	43,861
Total Investments		42,954	43,861

Top 25 Holdings

Security Description	% of Total
Cash and short-term deposits	3.53%
Schneider Electric SE	2.74%
Microsoft Corp.	2.71%
Roper Technologies Inc.	2.59%
Linde PLC	2.45%
Accenture PLC Class A	2.33%
Aon Corp.	2.29%
Alcon Inc. ADR	2.24%
S&P Global Inc.	1.96%
Trane Technologies PLC	1.92%
Thermo Fisher Scientific Inc.	1.89%
Apple Inc.	1.88%
Gartner Inc.	1.76%
L'Oreal SA	1.73%
Synopsys Inc.	1.64%
Atlas Copco AB Class A	1.57%
Becton, Dickinson and Co.	1.52%
McDonald's Corp.	1.52%
Province of Ontario 3.65% 06-02-2033	1.51%
PepsiCo Inc.	1.49%
ASML Holding NV	1.48%
Costco Wholesale Corp.	1.48%
The Progressive Corp.	1.46%
Alphabet Inc. Class A	1.45%
Visa Inc. Class A	1.45%

*The issuer of this security is a related company to the issuer of the Fund.

Global Growth Balanced Fund 1.02MAC

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Net Assets Attributable to Contractholders by Category ⁽¹⁾

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
75/75 guarantee policy	488,520	489,349	545,974	341,813	—	5,513	5,052	6,871	3,808	—
75/100 guarantee policy	1,034,576	1,016,561	998,724	528,275	—	11,561	10,420	12,514	5,876	—
PS1 75/75 guarantee policy	466,631	437,607	317,748	69,038	—	5,335	4,561	4,023	771	—
PS1 75/100 guarantee policy	1,505,241	1,340,755	1,082,469	424,947	—	17,038	13,873	13,643	4,738	—
PS2 75/75 guarantee policy	21,370	25,228	26,553	6,405	—	267	280	350	73	—
PS2 75/100 guarantee policy	249,844	216,303	176,323	1,103	—	3,123	2,404	2,323	12	—
PS 75/75 guarantee policy	10,515	10,938	9,633	1,121	—	123	116	123	13	—
PS 75/100 guarantee policy	36,512	31,063	20,858	—	—	424	328	266	—	—
PPS 75/75 guarantee policy	23,265	21,994	11,837	3,517	—	277	236	153	39	—
PPS 75/100 guarantee policy	13,409	10,933	7,540	—	—	158	116	97	—	—

Net Assets Attributable to Contractholders Per Unit ⁽¹⁾ (note 7)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
75/75 guarantee policy	11.29	10.32	12.59	11.14	—	0.97	(2.27)
75/100 guarantee policy	11.17	10.25	12.53	11.12	—	0.92	(2.28)
PS1 75/75 guarantee policy	11.43	10.42	12.66	11.17	—	1.01	(2.24)
PS1 75/100 guarantee policy	11.32	10.35	12.60	11.15	—	0.97	(2.25)
PS2 75/75 guarantee policy	12.50	11.12	13.17	11.34	—	1.38	(2.05)
PS2 75/100 guarantee policy	12.50	11.12	13.17	11.34	—	1.38	(2.05)
PS 75/75 guarantee policy	11.75	10.63	12.81	11.22	—	1.12	(2.18)
PS 75/100 guarantee policy	11.62	10.54	12.74	—	—	1.08	(2.20)
PPS 75/75 guarantee policy	11.90	10.73	12.89	11.25	—	1.17	(2.16)
PPS 75/100 guarantee policy	11.77	10.64	12.82	—	—	1.13	(2.18)

⁽¹⁾ The Fund commenced on May 11, 2020 and as a result does not have comparative figures for the prior year.

Global Growth Balanced Fund 1.02MAC

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Global Growth Balanced Fund 1.02MAC (the Fund) is offered by The Canada Life Assurance Company (Canada Life or the Company).

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

Global Growth Balanced Fund 1.02MAC

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

c) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

Global Growth Balanced Fund 1.02MAC

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in note 9 on Financial Instrument Risk Management.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

Global Growth Balanced Fund 1.02MAC

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

d) Investment Fund Units

Investment fund units are recorded at fair value, which is the closing net asset value (NAV) per unit of the underlying fund.

e) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

f) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

g) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Global Growth Balanced Fund 1.02MAC

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

h) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

i) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

j) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

k) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

Global Growth Balanced Fund 1.02MAC

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

l) Income Allocation

Net gain (loss) on investments, which includes realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the NAV per unit.

m) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

3. INVESTMENT FUND UNITS

Investment fund units of the Fund invest solely in underlying mutual funds.

As the Fund's assets are invested in underlying investment funds, the Fund indirectly pays management fees and operating expenses of the underlying funds. All such charges are included in the management expense ratio of the segregated funds.

Distributions of income from the underlying investment funds are shown as net gain (loss) on investments on the Statement of Comprehensive Income.

Investment activity of the underlying fund indirectly exposes the Fund to financial risk. See note 9 on Financial Instrument Risk Management.

Investments in unconsolidated structured entities

The Company has determined that the Fund meets the definition of an investment entity and as such, accounts for its holdings in unlisted open-ended investment funds at FVTPL. The Company has concluded that the underlying funds in which the Fund invests, but do not consolidate, meet the definition of structured entities because: (i) the voting rights in the underlying funds are not dominant rights in deciding who controls them; (ii) each underlying fund's activities are restricted by its prospectus; and (iii) the underlying funds have narrow and well-defined objectives to provide investment opportunities to investors.

Global Growth Balanced Fund 1.02MAC

Notes to the Financial Statements

(in Canadian \$ thousands)

4. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

The categories of units, and the various levels within each, are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

Global Growth Balanced Fund 1.02MAC

Notes to the Financial Statements

(in Canadian \$ thousands)

5. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

6. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

7. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

The NAV per unit for group contractholders has not been shown because it will vary for each sub-class within the group contractholder class based on negotiated expense levels and other factors.

Global Growth Balanced Fund 1.02MAC

Notes to the Financial Statements

(in Canadian \$ thousands)

8. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.
- c) The Fund invests in assets or underlying funds managed by Mackenzie Financial Corporation, which operates as Mackenzie Investments. All investment transactions with the corresponding underlying funds are at quoted market prices.

Global Growth Balanced Fund 1.02MAC

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT

a) Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023. The following sections describe the significant risks that are relevant to the Fund.

To assist with managing risk, the Fund Manager maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and securities regulations. Financial statements for the underlying funds, which include discussions about their respective risk exposure, are available upon request.

b) Liquidity Risk

Liquidity risk arises when a Fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units. As the Fund primarily invests all of its net assets in the underlying funds, liquidity risk is mitigated by the underlying funds' ability to meet the obligation to fund daily cash redemptions of their redeemable units/shares. In addition, the underlying funds retain sufficient cash and cash equivalent positions to maintain adequate liquidity.

c) Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The Fund's investments in all underlying funds are denominated in Canadian dollars. However, the Fund is indirectly exposed to currency risk to the extent that the investments of the underlying funds are denominated or traded in a foreign currency.

d) Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund does not directly hold any interest-bearing financial instruments. The Fund is indirectly exposed to the risk that the value of interest-bearing financial instruments held by the underlying funds will fluctuate due to changes in the prevailing levels of market interest rates.

e) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund has no direct exposure to credit risk. The greatest indirect concentration of credit risk is in debt securities, such as bonds, held by underlying funds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer.

f) Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. For the instruments held by the Fund, maximum risk of loss is equivalent to their fair value. The Fund Manager moderates this risk through a careful selection of underlying funds within the parameters of the investment strategy.

g) Fair Value Classification

Investment Fund Units are recorded at fair value, which is the closing NAV per unit of the underlying fund. This valuation is considered to be a Level 1 classification.

Global Growth Balanced Fund 1.02MAC

Supplemental Information (unaudited)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾⁽⁴⁾

For the years ended December 31	2023	2022	2021	2020	2019
75/75 guarantee policy	2.82	2.82	2.78	2.79	—
75/100 guarantee policy	3.10	3.09	3.05	3.07	—
PS1 75/75 guarantee policy	2.47	2.46	2.44	2.42	—
PS1 75/100 guarantee policy	2.75	2.73	2.70	2.69	—
PS 75/75 guarantee policy	1.72	1.71	1.69	1.70	—
PS 75/100 guarantee policy	1.99	1.98	1.97	—	—
PPS 75/75 guarantee policy	1.37	1.36	1.34	1.32	—
PPS 75/100 guarantee policy	1.64	1.63	1.61	—	—

Unsubsidized Management Expense Ratio (%) ⁽²⁾⁽⁴⁾

For the years ended December 31	2023	2022	2021	2020	2019
PS1 75/75 guarantee policy	2.47	2.46	2.44	2.45	—
PS1 75/100 guarantee policy	2.75	2.73	2.70	2.72	—
PPS 75/75 guarantee policy	1.37	1.36	1.34	1.35	—
PPS 75/100 guarantee policy	1.64	1.63	1.61	—	—

Portfolio Turnover Rate (%) ⁽³⁾⁽⁴⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	9.17	14.49	3.62	7.12	—

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The Company has waived a portion of the fees for the Preferred Series 1 and Preferred Partner Series guarantee policies. There is no obligation for the Company to continue waiving these fees and it may cease to do so at any time without notice.

(3) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

(4) The Fund commenced on May 11, 2020 and as a result does not have comparative figures for the prior year.

Financial Statements of

**THE CANADA LIFE ASSURANCE COMPANY
GLOBAL VALUE BALANCED FUND 1.01BG**

December 31, 2023

Independent Auditor's Report

To the Contractholders of Global Value Balanced Fund 1.01BG (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

Global Value Balanced Fund 1.01BG

(in Canadian \$ thousands)

Fund Manager: Beutel, Goodman & Company Ltd.

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ 1,413	\$ 795
Investment income due and accrued	110	47
Due from The Canada Life Assurance Company (note 7)	—	116
Due from brokers	—	—
Due from outside parties	—	—
Investments		
Bonds	10,049	5,006
Stocks	26,436	13,729
Investment fund units	—	—
Total investments	36,485	18,735
Total assets	\$ 38,008	\$ 19,693
Liabilities		
Overdrafts	\$ —	\$ —
Due to The Canada Life Assurance Company (note 7)	2	—
Due to brokers	165	117
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	167	117
Net assets attributable to contractholders	\$ 37,841	\$ 19,576

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 2,955	\$ 203
Miscellaneous income (loss)	4	1
Total income (loss)	2,959	204
Expenses		
Management fees (note 7)	666	339
Transaction costs	13	11
Withholding taxes	66	32
Other	82	40
Total expenses	827	422
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 2,132	\$ (218)

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year	\$ 19,576	\$ 11,421
Contractholder deposits	19,114	9,298
Contractholder withdrawals	(2,981)	(925)
Increase (decrease) in net assets from operations attributable to contractholders	2,132	(218)
Change in net assets attributable to contractholders	18,265	8,155
Net assets attributable to contractholders - end of year	\$ 37,841	\$ 19,576

Global Value Balanced Fund 1.01BG

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 2,132	\$ (218)
Adjustments		
Realized (gains) losses	222	(142)
Unrealized (gains) losses	(2,278)	332
Gross proceeds of disposition of investments	13,514	4,973
Gross payments for the purchase of investments	(29,208)	(12,836)
Change in investment income due and accrued	(63)	(19)
Change in due from/to The Canada Life Assurance Company	118	(103)
Change in due from/to brokers	48	117
Change in due from/to outside parties	—	—
	<u>(15,515)</u>	<u>(7,896)</u>
Financing Activities		
Contractholder deposits	19,114	9,298
Contractholder withdrawals	(2,981)	(925)
	<u>16,133</u>	<u>8,373</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	618	477
Cash, short-term deposits and overdrafts, beginning of year	795	318
Cash, short-term deposits and overdrafts, end of year	\$ 1,413	\$ 795
Supplementary cash flow information		
Interest income received	\$ 249	\$ 112
Dividend income received	539	259

Global Value Balanced Fund 1.01BG

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or Par Value	Average Cost	Fair Value
Canadian Bonds			
Federal Government			
Government of Canada 1.00% 06-01-2027	35,000	32	32
Government of Canada 1.00% 09-01-2026	154,000	143	144
Government of Canada 1.25% 03-01-2027	38,000	34	36
Government of Canada 1.25% 06-01-2030	136,000	116	122
Government of Canada 1.75% 12-01-2053	291,000	200	219
Government of Canada 2.00% 12-01-2051	267,000	238	215
Government of Canada 2.50% 12-01-2032	210,000	198	200
Government of Canada 2.75% 06-01-2033	440,000	412	428
Government of Canada 2.75% 09-01-2027	25,000	24	25
Government of Canada 3.25% 12-01-2033	261,000	249	264
Government of Canada 4.50% 11-01-2025	15,000	15	15
Government of Canada 5.00% 06-01-2037	107,000	127	129
Total Federal Government		1,788	1,829
Provincial Government			
Province of Alberta 2.05% 06-01-2030	354,000	324	323
Province of Alberta 3.10% 06-01-2050	156,000	141	133
Province of British Columbia 2.80% 06-18-2048	86,000	75	70
Province of British Columbia 2.95% 06-18-2050	146,000	130	121
Province of Ontario 1.85% 02-01-2027	34,000	31	32
Province of Ontario 1.90% 12-02-2051	271,000	189	179
Province of Ontario 2.65% 12-02-2050	176,000	135	138
Province of Ontario 2.70% 06-02-2029	138,000	129	133
Province of Ontario 3.45% 06-02-2045	274,000	253	251
Province of Ontario 3.50% 06-02-2043	365,000	319	339
Province of Ontario 3.65% 06-02-2033	885,000	855	878
Province of Ontario 4.70% 06-02-2037	184,000	194	199
Province of Quebec 2.85% 12-01-2053	99,000	78	81
Province of Quebec 3.50% 12-01-2045	226,000	220	209
Province of Quebec 3.50% 12-01-2048	166,000	158	153
Province of Quebec 3.60% 09-01-2033	366,000	349	361
Total Provincial Government		3,580	3,600
Corporate - Non-convertible			
407 International Inc. 6.47% 07-27-2029	170,000	187	189

Global Value Balanced Fund 1.01BG

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or Par Value	Average Cost	Fair Value
Canadian Bonds (continued)			
Corporate - Non-convertible (continued)			
AltaGas Ltd. 7.35% 08-17-2082	113,000	111	113
Bell Canada 5.25% 03-15-2029	45,000	45	47
Bell Canada Inc. 3.60% 09-29-2027	155,000	147	151
Bell Canada Inc. 4.55% 02-09-2030	111,000	109	112
Brookfield Finance II Inc. 5.431% 12-14-2032	44,000	41	45
Brookfield Renewable Partners ULC 5.292% 10-28-2033	41,000	41	42
Canadian Imperial Bank of Commerce 1.96% 04-21-2031	43,000	40	40
Canadian Imperial Bank of Commerce 5.00% 12-07-2026	129,000	129	131
Canadian Imperial Bank of Commerce 5.05% 10-07-2027	121,000	121	123
Canadian Imperial Bank of Commerce 5.35% 04-20-2033	20,000	20	20
Canadian Tire Corp. Ltd. 5.372% 09-16-2030	91,000	90	95
Capital Power Corp. 5.378% 01-25-2027	140,000	140	142
Capital Power Corp. 7.95% 09-09-2082	96,000	95	94
Chartwell Retirement Residences REIT 6.00% 12-08-2026	87,000	87	88
CHIP Mortgage Trust 1.738% 12-15-2025	42,000	38	39
CU Inc. 4.947% 11-18-2050	125,000	143	135
Enbridge Gas Distribution Inc. 7.60% 10-29-2026	50,000	65	54
Enbridge Inc. 4.90% 05-26-2028	40,000	40	41
Enbridge Inc. 6.625% 04-12-2078	166,000	169	164
Enbridge Inc. 8.747% 01-15-2084	89,000	89	96
Federation des Caisses Desjardins du Quebec 5.467% 11-17-2028	119,000	119	124
Ford Credit Canada Co. 7.00% 02-10-2026	105,000	105	108
Fortis Inc. 5.677% 11-08-2033	78,000	78	84
Gibson Energy Inc. 5.25% 12-22-2030	24,000	20	21
Gibson Energy Inc. 5.75% 07-12-2033	76,000	76	80
Gibson Energy Inc. 8.70% 07-12-2083	52,000	52	54
Granite REIT Holdings LP 6.074% 04-12-2029	89,000	89	94
Inter Pipeline Ltd. 5.76% 02-17-2028	48,000	48	50
Northland Power Inc. 9.25% 06-30-2083	84,000	83	87
Pembina Pipeline Corp. 5.72% 06-22-2026	57,000	57	57
RioCan Real Estate 6.488% 09-29-2026	44,000	44	44
Rogers Communications Inc. 5.80% 09-21-2030	85,000	85	90
Royal Bank of Canada 4.50% 11-24-2080	50,000	46	48
Royal Bank of Canada 4.632% 05-01-2028	82,000	80	83
Royal Bank of Canada 4.642% 01-17-2028	16,000	16	16
SNC-Lavalin Group Inc. 7.00% 06-12-2026	71,000	72	73
TELUS Corp. 4.95% 03-28-2033	23,000	23	23

Global Value Balanced Fund 1.01BG

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or Par Value	Average Cost	Fair Value
Canadian Bonds (continued)			
Corporate - Non-convertible (continued)			
TELUS Corp. 5.00% 09-13-2029	24,000	24	25
The Bank of Nova Scotia 1.95% 01-10-2025	295,000	283	286
The Bank of Nova Scotia 5.50% 12-29-2025	42,000	42	43
The Bank of Nova Scotia 5.679% 08-02-2033	30,000	30	31
The Toronto-Dominion Bank 4.34% 01-27-2026	56,000	54	56
The Toronto-Dominion Bank 4.68% 01-08-2029	108,000	107	109
The Toronto-Dominion Bank 5.376% 10-21-2027	124,000	123	128
The Toronto-Dominion Bank 5.423% 07-10-2026	165,000	165	169
The Toronto-Dominion Bank 5.491% 09-08-2028	139,000	139	145
The Toronto-Dominion Bank 7.283% 10-31-2082	71,000	73	71
TransCanada PipeLines Ltd. 7.90% 04-15-2027	100,000	121	108
TransCanada PipeLines Ltd. 8.21% 04-25-2030	10,000	14	11
TransCanada PipeLines Ltd. 8.29% 02-05-2026	15,000	19	16
Union Gas Ltd. 8.65% 11-10-2025	6,000	8	6
Videotron Ltd. 4.50% 01-15-2030	46,000	42	43
Westcoast Energy Inc. 8.85% 07-21-2025	55,000	63	58
Total Corporate - Non-convertible		4,347	4,402
Total Canadian Bonds		9,715	9,831
United States Bonds			
Corporate - Non-convertible			
Verizon Communications Inc. 2.375% 03-22-2028	62,000	56	57
Total Corporate - Non-convertible		56	57
Total United States Bonds		56	57
Global Bonds			
Jersey			
Heathrow Funding Ltd. 2.694% 10-13-2027	96,000	89	90
Heathrow Funding Ltd. 3.726% 04-13-2033	78,000	72	71
Total Global Bonds		161	161
Total Bonds		9,932	10,049

Global Value Balanced Fund 1.01BG

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or <u>Par Value</u>	Average <u>Cost</u>	Fair <u>Value</u>
Canadian Common Stock			
Communication Services			
Quebecor Media Inc. Class B sub. voting	771	24	24
Rogers Communications Inc. Class B non-voting	820	49	51
Consumer Discretionary			
BRP Inc.	291	30	28
Canadian Tire Corp. Ltd. Class A non-voting	158	25	22
Magna International Inc.	581	47	45
Restaurant Brands International Inc.	439	37	45
Consumer Staples			
Alimentation Couche-Tard Inc.	509	29	40
George Weston Ltd.	135	19	22
Loblaw Companies Ltd.	88	10	11
Metro Inc.	459	32	31
Saputo Inc.	1,006	32	27
Energy			
Hydro One Ltd.	262	9	10
Suncor Energy Inc.	982	38	42
TC Energy Corp.	978	55	51
Financials			
Bank of Montreal	408	49	53
Brookfield Asset Management Inc. Class A	525	24	28
Brookfield Corp.	713	34	38
Manulife Financial Corp.	1,786	45	52
Royal Bank of Canada	791	99	106
Sun Life Financial Inc.	695	44	48
The Bank of Nova Scotia	255	17	16
The Toronto-Dominion Bank	1,043	87	89
Industrials			
CAE Inc.	905	28	26
Canadian National Railway Co.	341	52	57
Canadian Pacific Kansas City Ltd.	370	36	39
RB Global Inc.	511	41	45

Global Value Balanced Fund 1.01BG

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or <u>Par Value</u>	Average <u>Cost</u>	Fair <u>Value</u>
Canadian Common Stock (continued)			
Information Technology			
CGI Group Inc. Class A sub. voting	192	23	27
Open Text Corp.	628	33	35
Materials			
CCL Industries Inc. Class B non-voting	584	35	35
Franco-Nevada Corp.	59	11	9
Nutrien Ltd.	306	26	23
Real Estate			
Colliers International Group Inc.	121	18	20
Utilities			
Fortis Inc.	686	39	37
Total Canadian Common Stock		1,177	1,232
United States Common Stock			
Communication Services			
Comcast Corp. Class A	9,693	549	563
Omnicom Group Inc.	5,679	572	651
The Interpublic Group of Companies Inc.	13,083	581	566
Consumer Discretionary			
eBay Inc.	8,457	558	489
Gentex Corp.	11,036	449	478
Harley-Davidson Inc.	13,749	666	671
Polaris Inc.	3,977	602	499
Tempur Sealy International Inc.	8,460	380	571
Consumer Staples			
Campbell Soup Co.	9,488	593	543
Kellanova	8,460	672	627
Kimberly-Clark Corp.	4,047	702	652
WK Kellogg Co.	1,794	37	31
Financials			
American Express Co.	3,646	750	905

Global Value Balanced Fund 1.01BG

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or Par Value	Average Cost	Fair Value
United States Common Stock (continued)			
Financials (continued)			
Ameriprise Financial Inc.	1,322	504	665
BlackRock Inc.	601	528	646
SEI Investments Co.	7,371	571	621
The Carlyle Group Inc.	7,693	333	415
Health Care			
Amgen Inc.	2,650	839	1,012
Biogen Inc.	1,792	627	614
Cencora Inc.	1,222	242	333
Merck & Co. Inc.	4,355	554	629
Industrials			
Cummins Inc.	1,659	495	527
Flowserve Corp.	12,321	559	673
Masco Corp.	7,979	553	708
Parker Hannifin Corp.	464	193	283
Wabtec Corp.	2,969	367	499
Information Technology			
Gen Digital Inc.	23,694	674	716
NetApp Inc.	7,941	743	929
Qualcomm Inc.	4,910	782	942
Materials			
PPG Industries Inc.	745	133	148
Total United States Common Stock		15,808	17,606
Global Common Stock			
Australia			
Ampol Ltd.	11,246	308	367
Denmark			
Carlsberg AS	1,730	325	287
Finland			
Konecranes OYJ	6,732	296	401

Global Value Balanced Fund 1.01BG

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or Par Value	Average Cost	Fair Value
Global Common Stock (continued)			
France			
Compagnie Generale des Etablissements Michelin	5,500	229	261
Germany			
BASF SE	3,142	231	224
Heidelberg Materials AG	2,134	193	253
Merck KGaA	784	163	165
Guernsey			
Amdocs Ltd.	6,917	759	806
Japan			
Hakuhodo DY Holdings Inc.	10,489	150	106
Nippon Telegraph & Telephone Corp.	84,114	125	136
Shionogi & Co. Ltd.	3,598	239	230
Netherlands			
Akzo Nobel NV	2,938	310	321
Euronext NV	2,262	222	260
Koninklijke KPN NV	48,481	211	221
Norway			
Atea ASA	16,979	278	286
Gjensidige Forsikring ASA	5,896	132	144
TGS ASA	13,127	240	226
Singapore			
DBS Group Holdings Ltd.	3,929	125	132
Sweden			
Essity AB	7,754	277	255
Switzerland			
Dormakaba Holding AG	475	303	340
Julius Baer Group Ltd.	2,705	207	201
Novartis AG	1,750	209	234
Roche Holding AG	771	331	297

Global Value Balanced Fund 1.01BG

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or <u>Par Value</u>	Average <u>Cost</u>	Fair <u>Value</u>
Global Common Stock (continued)			
United Kingdom			
GSK PLC	10,315	258	252
IMI PLC	11,478	277	326
ITV PLC	172,085	239	184
Smith & Nephew PLC	12,691	257	231
Smiths Group PLC	9,206	244	274
Unilever PLC	2,768	185	178
Total Global Common Stock		7,323	7,598
Total Stocks		24,308	26,436
Transaction Costs (note 2)		(17)	
Total Investments		34,223	36,485

Global Value Balanced Fund 1.01BG

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

Introduction

The objective of the Global Value Balanced Fund 1.01BG (the Fund) in managing risk is the creation and protection of contractholder value. Risk is inherent in the Fund's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. The process of risk management is critical to the Fund's continuing profitability. The Fund can be exposed to liquidity risk, market risk (which includes currency risk, interest rate risk and other price risk) and credit risk arising from the financial instruments it holds.

A. Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023, and groups the securities by asset type, geographic region and/or market segment. The following sections describe the significant risks that are relevant to the Fund.

To assist with managing risk, The Canada Life Assurance Company (Canada Life or the Company) maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and other regulations.

B. Liquidity Risk

Liquidity risk arises when a fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units by contractholders. The Fund retains sufficient cash and cash equivalent positions to maintain adequate liquidity to meet the obligation to fund daily cash redemptions of their redeemable units.

Some securities are illiquid due to legal restrictions on their resale, the nature of the investment, or simply a lack of interested buyers for a particular security or security type. Certain securities may become less liquid due to changes in market conditions, such as interest rate changes or market volatility, which could impair the ability of a fund to sell such securities quickly.

In accordance with the Fund's policy, the Company monitors the Fund's liquidity positions on a regular basis.

C. Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The classifications used on the Schedule of Investment Portfolio for the financial instruments are based on the country of issue.

Global Value Balanced Fund 1.01BG

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

C. Currency Risk (continued)

The table below indicates the foreign currencies to which the Fund had significant exposure as at December 31, 2023 in Canadian dollar terms, including the underlying principal amount of forward currency contracts, if any. The table also illustrates the potential impact to the Fund's net assets attributable to contractholders, all other variables held constant, as a result of a 1% change in these currencies relative to the Canadian dollar. In practice, the actual results may differ from this sensitivity analysis and the difference could be significant.

2023

Currency	Investments	Cash, Short-term Deposits and Overdrafts	Total*	Impact on Net Assets Attributable to Contractholders
United States Dollar	\$ 18,412	\$ 10	\$ 18,422	\$ 184
Euro	2,106	—	2,106	21
United Kingdom Pound Sterling	1,445	—	1,445	15
Other Currencies	3,241	—	3,241	32
Total	\$ 25,204	\$ 10	\$ 25,214	\$ 252
As Percent of Net Assets Attributable to Contractholders			66.6%	0.7%

*Includes both monetary and non-monetary instruments

2022

Currency	Investments	Cash, Short-term Deposits and Overdrafts	Total*	Impact on Net Assets Attributable to Contractholders
United States Dollar	\$ 9,381	\$ —	\$ 9,381	\$ 94
Euro	1,019	23	1,042	10
United Kingdom Pound Sterling	873	—	873	9
Other Currencies	1,841	15	1,856	19
Total	\$ 13,114	\$ 38	\$ 13,152	\$ 132
As Percent of Net Assets Attributable to Contractholders			67.2%	0.7%

*Includes both monetary and non-monetary instruments

D. Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund is exposed to the risk that the value of interest-bearing financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. Due to the nature of short-term fixed income securities with a remaining term-to-maturity of less than one year, these investments are not generally exposed to a significant risk that their value will fluctuate in response to changes in the prevailing levels of market interest rates. The risk is professionally managed at the security and fund level by the Company.

Global Value Balanced Fund 1.01BG

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

D. Interest Rate Risk (continued)

The table below summarizes the Fund's exposure to interest rate risk by remaining term-to-maturity.

2023					
	1 year or less	Over 1 year to 5 years	Over 5 years to 10 years	Over 10 years	Total
Bonds	\$ —	\$ 2,771	\$ 3,981	\$ 3,297	\$ 10,049

2022					
	1 year or less	Over 1 year to 5 years	Over 5 years to 10 years	Over 10 years	Total
Bonds	\$ 155	\$ 1,184	\$ 2,003	\$ 1,664	\$ 5,006

As at December 31, 2023, had prevailing interest rates increased or decreased by 1% assuming a parallel shift in the yield curve, with all other variables held constant, net assets attributable to contractholders would have decreased or increased, respectively, by approximately \$789 (\$402 at December 31, 2022) or approximately 2.1% (2.1% at December 31, 2022). The Fund's sensitivity to interest rate changes was estimated using the weighted average duration of the bond portfolio. In practice, the actual results may differ and the difference could be significant.

E. Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund's greatest concentration of credit risk is in debt securities, such as bonds. The fair value of debt instruments includes consideration of the creditworthiness of the debt issuer. The carrying amount of debt instruments represents the maximum credit risk exposure as at December 31, 2023. The amount of credit risk to any one issuer may be determined from the information reported in the Schedule of Investment Portfolio. The Fund may invest in short-term fixed income securities issued or guaranteed primarily by the Government of Canada or any Canadian provincial government, obligations of Canadian chartered banks or trust companies, and commercial paper with approved credit ratings. The risk of default on these short-term fixed income securities is considered low. The Company monitors credit risk and credit ratings on a regular basis. All new counterparties to financial instruments are subject to an approval process.

There was no change in fair values of financial liabilities as a result of changes in credit risks during 2023 or 2022.

All transactions in listed securities are settled and paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker.

Credit ratings disclosed below are obtained from independent rating agencies including DBRS, Standard & Poor's, Moody's Investors Service and Fitch Ratings. The lowest rating provided by the agencies is used.

Global Value Balanced Fund 1.01BG

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

E. Credit Risk (continued)

Debt securities by credit rating are as follows:

	2023		2022	
	Percent of Total Bonds (%)	Percent of Total Net Assets Attributable to Contractholders (%)	Percent of Total Bonds (%)	Percent of Total Net Assets Attributable to Contractholders (%)
AAA	0.4	0.1	0.3	0.1
AA	32.6	8.7	29.5	7.6
A	39.7	10.5	30.9	7.9
BBB	21.4	5.7	31.6	8.1
BB and lower	5.9	1.6	7.7	2.0
Total	100.0	26.6	100.0	25.7

F. Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. The Fund Manager moderates this risk through careful selection of securities and other financial instruments within the parameters of the investment strategy. The maximum risk resulting from financial instruments is equivalent to their fair value.

For the Fund, the most significant exposure to other price risk arises from its investment in equity securities. As at December 31, 2023, had the prices on the respective stock exchanges for these securities increased or decreased by 1%, with all other variables held constant, assets would have increased (or decreased) by approximately \$264 (\$137 at December 31, 2022) or approximately 0.7% (0.7% at December 31, 2022) of total net assets attributable to contractholders. In practice, the actual results may differ and the difference could be significant.

Global Value Balanced Fund 1.01BG

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

G. Fair Value Classification

The following table presents information about the Fund's assets and liabilities measured at fair value on a recurring basis and indicates the fair value hierarchy of the valuation techniques utilized by the Fund to determine such fair value:

<u>Assets measured at fair value</u>	2023			
	Assets and Liabilities Measured at Fair Value			
	Level 1	Level 2	Level 3	Total
Bonds	\$ —	\$ 10,049	\$ —	\$ 10,049
Stocks	26,436	—	—	26,436
Total assets measured at fair value	\$ 26,436	\$ 10,049	\$ —	\$ 36,485

<u>Assets measured at fair value</u>	2022			
	Assets and Liabilities Measured at Fair Value			
	Level 1	Level 2	Level 3	Total
Bonds	\$ —	\$ 5,006	\$ —	\$ 5,006
Stocks	13,729	—	—	13,729
Total assets measured at fair value	\$ 13,729	\$ 5,006	\$ —	\$ 18,735

There were no significant transfers between Level 1 and Level 2 during 2023 or 2022.

Global Value Balanced Fund 1.01BG

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Net Assets Attributable to Contractholders by Category ⁽¹⁾

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
75/75 guarantee policy	507,783	309,443	136,946	213,613	—	6,245	3,552	1,629	2,389	—
75/100 guarantee policy	890,230	545,855	294,619	42,509	—	10,838	6,221	3,490	475	—
PS1 75/75 guarantee policy	260,249	170,305	115,718	52,506	—	3,242	1,973	1,385	589	—
PS1 75/100 guarantee policy	936,842	408,338	249,792	76,366	—	11,553	4,697	2,976	855	—
PS2 75/75 guarantee policy	7,310	6,324	6,530	6,603	—	100	78	81	75	—
PS2 75/100 guarantee policy	24,354	26,929	3,392	724	—	332	333	42	8	—
PS 75/75 guarantee policy	104,022	66,318	48,437	196	—	1,333	785	587	2	—
PS 75/100 guarantee policy	62,859	28,936	25,028	—	—	797	340	302	—	—
PPS 75/75 guarantee policy	178,142	78,510	68,456	5,387	—	2,312	937	835	61	—
PPS 75/100 guarantee policy	84,759	55,682	7,786	—	—	1,089	660	94	—	—

Net Assets Attributable to Contractholders Per Unit ⁽¹⁾ (note 6)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
75/75 guarantee policy	12.30	11.48	11.90	11.19	—	0.82	(0.42)
75/100 guarantee policy	12.17	11.40	11.84	11.17	—	0.77	(0.44)
PS1 75/75 guarantee policy	12.46	11.59	11.97	11.21	—	0.87	(0.38)
PS1 75/100 guarantee policy	12.33	11.50	11.91	11.19	—	0.83	(0.41)
PS2 75/75 guarantee policy	13.62	12.36	12.46	11.39	—	1.26	(0.10)
PS2 75/100 guarantee policy	13.62	12.36	12.46	11.39	—	1.26	(0.10)
PS 75/75 guarantee policy	12.82	11.83	12.13	11.27	—	0.99	(0.30)
PS 75/100 guarantee policy	12.68	11.74	12.06	—	—	0.94	(0.32)
PPS 75/75 guarantee policy	12.98	11.94	12.19	11.29	—	1.04	(0.25)
PPS 75/100 guarantee policy	12.84	11.85	12.13	—	—	0.99	(0.28)

⁽¹⁾ The Fund commenced on May 11, 2020 and as a result does not have comparative figures for the prior year.

Global Value Balanced Fund 1.01BG

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Fund is offered by The Canada Life Assurance Company.

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

Global Value Balanced Fund 1.01BG

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

Global Value Balanced Fund 1.01BG

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in fair value measurements in the notes to the Schedule of Investment Portfolio.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

Global Value Balanced Fund 1.01BG

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Bonds and Stocks

Bonds and stocks are recorded at fair value determined with reference to closing quoted market prices, where the last traded price falls within the day's bid-ask spread, primarily provided by third party independent pricing sources. Fair values are determined on the basis of the closing price for a security on the recognized exchange on which it is principally traded at each reporting date. In circumstances where the last traded price is not within the bid-ask spread, the Company determines the point when the bid-ask spread that is most representative of fair value based on the specific facts and circumstances.

The fair value of unlisted securities is established using quotations determined by a major dealer in a particular security. Should the quoted value for a security, in the opinion of the Fund Manager, be inaccurate, unreliable, or not readily available, the value of the security is estimated using valuation techniques. Valuation techniques include the market approach (using recent arm's-length market transactions adjusted as necessary and reference to the current market value of another instrument that is substantially the same) and the income approach (discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible).

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

Interest income on debt securities - included in the change in fair value of such investments and recorded on the accrual basis.

Dividend income - accrued as of the ex-dividend date and recorded on the accrual basis.

Global Value Balanced Fund 1.01BG

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

Miscellaneous income (loss)

Miscellaneous income (loss) generally includes the changes in foreign exchange rates between trade and settlement dates, foreign exchange rates on bank balances, securities lending income, derivative income, and management fee rebates.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

Global Value Balanced Fund 1.01BG

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

k) Income Allocation

Net gain (loss) on investments, which includes dividend income, interest income, realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the net asset value (NAV) per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

m) Transaction Costs

Transaction costs, such as brokerage commissions, incurred in the purchase and sale of securities by the Fund are charged to expenses in the year.

Global Value Balanced Fund 1.01BG

Notes to the Financial Statements

(in Canadian \$ thousands)

3. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

The categories of units are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

Global Value Balanced Fund 1.01BG

Notes to the Financial Statements

(in Canadian \$ thousands)

4. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

5. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

6. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

The NAV per unit for group contractholders has not been shown because it will vary for each sub-class within the group contractholder class based on negotiated expense levels and other factors.

Global Value Balanced Fund 1.01BG

Notes to the Financial Statements

(in Canadian \$ thousands)

7. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.

Global Value Balanced Fund 1.01BG

Supplemental Information *(unaudited)*

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾⁽³⁾

For the years ended December 31	2023	2022	2021	2020	2019
75/75 guarantee policy	2.82	2.81	2.83	2.76	—
75/100 guarantee policy	3.10	3.09	3.11	3.03	—
PS1 75/75 guarantee policy	2.46	2.45	2.46	2.41	—
PS1 75/100 guarantee policy	2.74	2.72	2.76	2.69	—
PS 75/75 guarantee policy	1.70	1.69	1.71	1.66	—
PS 75/100 guarantee policy	1.98	1.97	1.99	—	—
PPS 75/75 guarantee policy	1.34	1.34	1.33	1.30	—
PPS 75/100 guarantee policy	1.62	1.62	1.63	—	—

Portfolio Turnover Rate (%) ⁽²⁾⁽³⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	49.15	34.08	78.64	42.21	—

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

(3) The Fund commenced on May 11, 2020 and as a result does not have comparative figures for the prior year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
GLOBAL MULTI-SECTOR BOND FUND 1.06TRP

December 31, 2023

Independent Auditor's Report

To the Contractholders of Global Multi-Sector Bond Fund 1.06TRP (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

Global Multi-Sector Bond Fund 1.06TRP

(in Canadian \$ thousands)

Fund Manager: T Rowe Price (Canada), Inc.

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ 21	\$ —
Investment income due and accrued	—	—
Due from The Canada Life Assurance Company (note 8)	—	20
Due from brokers	—	—
Due from outside parties	—	—
Investments		
Investment fund units (note 3)	59,681	51,938
Total investments	59,681	51,938
Total assets	\$ 59,702	\$ 51,958
Liabilities		
Overdrafts	\$ —	\$ 20
Due to The Canada Life Assurance Company (note 8)	7	—
Due to brokers	—	—
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	7	20
Net assets attributable to contractholders	\$ 59,695	\$ 51,938

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 6,312	\$ (9,113)
Miscellaneous income (loss)	—	—
Total income (loss)	6,312	(9,113)
Expenses		
Management fees (note 8)	307	319
Other	34	37
Total expenses	341	356
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 5,971	\$ (9,469)

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year	\$ 51,938	\$ 58,170
Contractholder deposits	8,821	11,389
Contractholder withdrawals	(7,035)	(8,152)
Increase (decrease) in net assets from operations attributable to contractholders	5,971	(9,469)
Change in net assets attributable to contractholders	7,757	(6,232)
Net assets attributable to contractholders - end of year	\$ 59,695	\$ 51,938

Global Multi-Sector Bond Fund 1.06TRP

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 5,971	\$ (9,469)
Adjustments		
Realized (gains) losses	752	893
Unrealized (gains) losses	(4,859)	8,220
Gross proceeds of disposition of investments	5,370	8,922
Gross payments for the purchase of investments	(6,801)	(11,704)
Distribution income of underlying mutual fund	(2,205)	—
Change in due from/to The Canada Life Assurance Company	27	(129)
Change in due from/to brokers	—	—
	<u>(1,745)</u>	<u>(3,267)</u>
Financing Activities		
Contractholder deposits	8,821	11,389
Contractholder withdrawals	(7,035)	(8,152)
	<u>1,786</u>	<u>3,237</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	41	(30)
Cash, short-term deposits and overdrafts, beginning of year	<u>(20)</u>	<u>10</u>
Cash, short-term deposits and overdrafts, end of year	<u>\$ 21</u>	<u>\$ (20)</u>

Global Multi-Sector Bond Fund 1.06TRP

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units)

As at December 31, 2023

	<u>No. of Units</u>	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units			
Global Multi Sector Bond Pool	6,248,111	65,143	59,681
Total Investments		65,143	59,681

Top 25 Holdings

Security Description	% of Total
Republic of Malaysia 4.498% 04-15-2030	4.19%
T. Rowe Price SICAV Diversified Income Bond Class S	3.22%
T. Rowe Price SICAV Global High Yield Bond SD	3.07%
United States Treasury 4.625% 09-15-2026	2.78%
Government of Japan 1.30% 03-20-2063	1.59%
United States Treasury Inflation Index 0.125% 01-15-2031 Real Return	1.40%
Republic of Thailand 3.35% 06-17-2033	1.14%
United States Treasury Inflation Index 2.375% 10-15-2028 Real Return	1.08%
Government of New Zealand 2.75% 05-15-2051	1.02%
Federal National Mortgage Assoc. 5.50% 01-01-2033	0.98%
Federal National Mortgage Assoc. 6.50% 01-01-2034	0.94%
United States Treasury Inflation Index 1.50% 02-15-2053 Real Return	0.94%
Federal National Mortgage Assoc. 5.00% 01-01-2034	0.86%
Republic of Indonesia 7.375% 10-15-2030	0.74%
Federal National Mortgage Assoc. 4.50% 01-01-2035	0.66%
Republic of Indonesia 7.00% 05-15-2030	0.61%
United States Treasury 3.25% 05-15-2042	0.57%
Ballyrock CLO 15 Ltd. 6.715% 01-30-2028	0.56%
Cedar Funding VIII CLO Ltd. 6.814% 04-11-2028	0.56%
Dryden 86 CLO Ltd. 6.764% 03-10-2028	0.56%
HPS Loan Management 2021-16 Ltd. 6.814% 05-05-2028	0.56%
Kings Park CLO Ltd. 6.804% 08-20-2028	0.56%
Neuberger Berman CLO Ltd. 6.794% 03-06-2028	0.56%
OCP CLO 2014-7 Ltd. 7.327% 10-22-2027	0.56%
Wellfleet CLO 2021-1 Ltd. 6.897% 02-23-2028	0.56%

Global Multi-Sector Bond Fund 1.06TRP

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance. Portfolio units are allocated to each category as described in note 4 and are not included on this page.

Net Assets Attributable to Contractholders by Category ⁽¹⁾

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
75/75 guarantee policy	291,235	256,701	316,185	622,943	—	2,853	2,300	3,442	6,887	—
75/100 guarantee policy	483,762	487,549	420,331	134,833	—	4,711	4,350	4,564	1,489	—
PS1 75/75 guarantee policy	261,564	276,858	276,993	96,661	—	2,603	2,509	3,037	1,072	—
PS1 75/100 guarantee policy	468,194	421,945	419,649	92,565	—	4,630	3,808	4,589	1,025	—
PS2 75/75 guarantee policy	12,337	14,684	46,161	13,188	—	132	140	523	148	—
PS2 75/100 guarantee policy	14,578	15,809	27,720	10,170	—	156	151	314	114	—
PS 75/75 guarantee policy	32,810	21,519	25,378	1,490	—	328	196	279	17	—
PS 75/100 guarantee policy	61,136	79,283	111,300	38,721	—	607	718	1,219	429	—
PPS 75/75 guarantee policy	49,819	46,919	31,814	—	—	506	432	352	—	—
PPS 75/100 guarantee policy	94,820	100,192	81,795	51,218	—	957	917	903	569	—

Net Assets Attributable to Contractholders Per Unit ⁽¹⁾ (note 7)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
75/75 guarantee policy	9.80	8.96	10.89	11.06	—	0.84	(1.93)
75/100 guarantee policy	9.74	8.92	10.86	11.04	—	0.82	(1.94)
PS1 75/75 guarantee policy	9.95	9.06	10.97	11.09	—	0.89	(1.91)
PS1 75/100 guarantee policy	9.89	9.02	10.94	11.08	—	0.87	(1.92)
PS2 75/75 guarantee policy	10.71	9.56	11.33	11.23	—	1.15	(1.77)
PS2 75/100 guarantee policy	10.71	9.56	11.33	11.23	—	1.15	(1.77)
PS 75/75 guarantee policy	10.00	9.09	10.99	11.09	—	0.91	(1.90)
PS 75/100 guarantee policy	9.94	9.05	10.96	11.08	—	0.89	(1.91)
PPS 75/75 guarantee policy	10.15	9.20	11.06	—	—	0.95	(1.86)
PPS 75/100 guarantee policy	10.09	9.16	11.04	11.12	—	0.93	(1.88)

⁽¹⁾ The Fund commenced on May 11, 2020 and as a result does not have comparative figures for the prior year.

Global Multi-Sector Bond Fund 1.06TRP

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Global Multi-Sector Bond Fund 1.06TRP (the Fund) is offered by The Canada Life Assurance Company (Canada Life or the Company).

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

Global Multi-Sector Bond Fund 1.06TRP

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

Global Multi-Sector Bond Fund 1.06TRP

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in note 9 on Financial Instrument Risk Management.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

Global Multi-Sector Bond Fund 1.06TRP

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Investment Fund Units

Investment fund units are recorded at fair value, which is the closing net asset value (NAV) per unit of the underlying fund.

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Global Multi-Sector Bond Fund 1.06TRP

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

Global Multi-Sector Bond Fund 1.06TRP

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

k) Income Allocation

Net gain (loss) on investments, which includes realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the NAV per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

3. INVESTMENT FUND UNITS

Investment fund units of the Fund invest solely in underlying mutual funds.

As the Fund's assets are invested in underlying investment funds, the Fund indirectly pays management fees and operating expenses of the underlying funds. All such charges are included in the management expense ratio of the segregated funds.

Distributions of income from the underlying investment funds are shown as net gain (loss) on investments on the Statement of Comprehensive Income.

Investment activity of the underlying fund indirectly exposes the Fund to financial risk. See note 9 on Financial Instrument Risk Management.

Investments in unconsolidated structured entities

The Company has determined that the Fund meets the definition of an investment entity and as such, accounts for its holdings in unlisted open-ended investment funds at FVTPL. The Company has concluded that the underlying funds in which the Fund invests, but do not consolidate, meet the definition of structured entities because: (i) the voting rights in the underlying funds are not dominant rights in deciding who controls them; (ii) each underlying fund's activities are restricted by its prospectus; and (iii) the underlying funds have narrow and well-defined objectives to provide investment opportunities to investors.

Global Multi-Sector Bond Fund 1.06TRP

Notes to the Financial Statements

(in Canadian \$ thousands)

4. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

Portfolio units are those units owned by the Asset Allocation Funds. Each Portfolio fund is represented by a separate category.

The categories of units, and the various levels within each, are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

Global Multi-Sector Bond Fund 1.06TRP

Notes to the Financial Statements

(in Canadian \$ thousands)

5. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

6. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

7. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

The NAV per unit for group contractholders has not been shown because it will vary for each sub-class within the group contractholder class based on negotiated expense levels and other factors.

Global Multi-Sector Bond Fund 1.06TRP

Notes to the Financial Statements

(in Canadian \$ thousands)

8. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.

Global Multi-Sector Bond Fund 1.06TRP

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT

a) Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023. The following sections describe the significant risks that are relevant to the Fund.

To assist with managing risk, the Fund Manager maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and securities regulations. Financial statements for the underlying funds, which include discussions about their respective risk exposure, are available upon request.

b) Liquidity Risk

Liquidity risk arises when a Fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units. As the Fund primarily invests all of its net assets in the underlying funds, liquidity risk is mitigated by the underlying funds' ability to meet the obligation to fund daily cash redemptions of their redeemable units/shares. In addition, the underlying funds retain sufficient cash and cash equivalent positions to maintain adequate liquidity.

c) Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The Fund's investments in all underlying funds are denominated in Canadian dollars. However, the Fund is indirectly exposed to currency risk to the extent that the investments of the underlying funds are denominated or traded in a foreign currency.

d) Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund does not directly hold any interest-bearing financial instruments. The Fund is indirectly exposed to the risk that the value of interest-bearing financial instruments held by the underlying funds will fluctuate due to changes in the prevailing levels of market interest rates.

e) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund has no direct exposure to credit risk. The greatest indirect concentration of credit risk is in debt securities, such as bonds, held by underlying funds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer.

f) Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. For the instruments held by the Fund, maximum risk of loss is equivalent to their fair value. The Fund Manager moderates this risk through a careful selection of underlying funds within the parameters of the investment strategy.

g) Fair Value Classification

Investment Fund Units are recorded at fair value, which is the closing NAV per unit of the underlying fund. This valuation is considered to be a Level 1 classification.

Global Multi-Sector Bond Fund 1.06TRP

Supplemental Information (unaudited)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾⁽⁴⁾

For the years ended December 31	2023	2022	2021	2020	2019
75/75 guarantee policy	2.45	2.47	2.50	2.41	—
75/100 guarantee policy	2.62	2.63	2.64	2.59	—
PS1 75/75 guarantee policy	2.03	2.05	2.05	1.97	—
PS1 75/100 guarantee policy	2.20	2.22	2.22	2.14	—
PS 75/75 guarantee policy	1.90	1.91	1.93	1.88	—
PS 75/100 guarantee policy	2.06	2.08	2.08	2.05	—
PPS 75/75 guarantee policy	1.48	1.49	1.49	—	—
PPS 75/100 guarantee policy	1.65	1.65	1.67	1.59	—

Unsubsidized Management Expense Ratio (%) ⁽²⁾⁽⁴⁾

For the years ended December 31	2023	2022	2021	2020	2019
PS1 75/75 guarantee policy	2.10	2.12	2.12	2.08	—
PS1 75/100 guarantee policy	2.27	2.29	2.29	2.25	—
PPS 75/75 guarantee policy	1.55	1.56	1.56	—	—
PPS 75/100 guarantee policy	1.72	1.72	1.74	1.70	—

Portfolio Turnover Rate (%) ⁽³⁾⁽⁴⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	9.66	16.93	14.97	0.32	—

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The Company has waived a portion of the fees for the Preferred Series 1 and Preferred Partner Series guarantee policies. There is no obligation for the Company to continue waiving these fees and it may cease to do so at any time without notice.

(3) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

(4) The Fund commenced on May 11, 2020 and as a result does not have comparative figures for the prior year.

Financial Statements of

**THE CANADA LIFE ASSURANCE COMPANY
GLOBAL EQUITY FUND 1.08CG**

December 31, 2023

Independent Auditor's Report

To the Contractholders of Global Equity Fund 1.08CG (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

Global Equity Fund 1.08CG

(in Canadian \$ thousands)

Fund Manager: Capital Group

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ —	\$ —
Investment income due and accrued	—	—
Due from The Canada Life Assurance Company (note 8)	—	—
Due from brokers	16	82
Due from outside parties	—	—
Investments		
Investment fund units (note 3)	55,205	45,417
Total investments	55,205	45,417
Total assets	\$ 55,221	\$ 45,499
Liabilities		
Overdrafts	\$ 36	\$ 80
Due to The Canada Life Assurance Company (note 8)	12	36
Due to brokers	—	—
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	48	116
Net assets attributable to contractholders	\$ 55,173	\$ 45,383

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 7,784	\$ (9,577)
Miscellaneous income (loss)	—	—
Total income (loss)	7,784	(9,577)
Expenses		
Management fees (note 8)	1,269	1,035
Other	135	95
Total expenses	1,404	1,130
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 6,380	\$ (10,707)

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year	\$ 45,383	\$ 45,619
Contractholder deposits	8,774	13,813
Contractholder withdrawals	(5,364)	(3,342)
Increase (decrease) in net assets from operations attributable to contractholders	6,380	(10,707)
Change in net assets attributable to contractholders	9,790	(236)
Net assets attributable to contractholders - end of year	\$ 55,173	\$ 45,383

Global Equity Fund 1.08CG

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 6,380	\$ (10,707)
Adjustments		
Realized (gains) losses	226	583
Unrealized (gains) losses	(7,171)	10,054
Gross proceeds of disposition of investments	4,223	4,734
Gross payments for the purchase of investments	(6,227)	(14,116)
Distribution income of underlying mutual fund	(839)	(1,060)
Change in due from/to The Canada Life Assurance Company	(24)	9
Change in due from/to brokers	66	(97)
	<u>(3,366)</u>	<u>(10,600)</u>
Financing Activities		
Contractholder deposits	8,774	13,813
Contractholder withdrawals	(5,364)	(3,342)
	<u>3,410</u>	<u>10,471</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	44	(129)
Cash, short-term deposits and overdrafts, beginning of year	<u>(80)</u>	<u>49</u>
Cash, short-term deposits and overdrafts, end of year	<u>\$ (36)</u>	<u>\$ (80)</u>

Global Equity Fund 1.08CG

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units)

As at December 31, 2023

	<u>No. of Units</u>	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units			
Capital Group Global Equity Fund (Canada) Series I	1,129,368	55,019	55,205
Total Investments		55,019	55,205

Top 25 Holdings

Security Description	% of Total
Eli Lilly and Co.	3.14%
Novo Nordisk AS	3.10%
Microsoft Corp.	3.09%
Taiwan Semiconductor Manufacturing Co. Ltd.	2.91%
Broadcom Inc.	2.55%
UnitedHealth Group Inc.	2.43%
Meta Platforms Inc.	2.12%
The Blackstone Group Inc.	1.60%
Alphabet Inc. Class A	1.56%
Caterpillar Inc.	1.56%
Canadian Natural Resources Ltd.	1.39%
Applied Materials Inc.	1.32%
Fairfax Financial Holdings Ltd. sub. voting	1.27%
Apple Inc.	1.26%
BAE Systems PLC	1.26%
Airbus SE	1.18%
The Home Depot Inc.	1.13%
Apollo Global Management Inc.	1.06%
Safran SA	1.05%
Tourmaline Oil Corp.	1.04%
Nestle SA	1.03%
ASM International NV	1.02%
Linde PLC	1.00%
Reliance Industries Ltd.	0.97%
Thermo Fisher Scientific Inc.	0.95%

Global Equity Fund 1.08CG

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Net Assets Attributable to Contractholders by Category ⁽¹⁾

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
75/75 guarantee policy	529,545	579,234	484,152	283,387	—	6,375	6,151	6,691	3,600	—
75/100 guarantee policy	1,176,160	1,169,283	786,526	135,241	—	13,991	12,312	10,813	1,714	—
PS1 75/75 guarantee policy	519,300	493,662	424,702	158,471	—	6,332	5,292	5,905	2,018	—
PS1 75/100 guarantee policy	1,605,230	1,365,096	1,116,883	424,175	—	19,341	14,508	15,445	5,390	—
PS2 75/75 guarantee policy	58,272	57,501	30,911	—	—	781	659	448	—	—
PS2 75/100 guarantee policy	109,476	105,142	109,740	280	—	1,470	1,208	1,593	4	—
PS 75/75 guarantee policy	55,785	39,843	24,325	4,737	—	699	436	342	60	—
PS 75/100 guarantee policy	101,279	64,053	53,410	5,458	—	1,254	694	747	70	—
PPS 75/75 guarantee policy	173,700	168,387	113,491	27,836	—	2,204	1,858	1,606	357	—
PPS 75/100 guarantee policy	217,428	207,058	144,108	1,470	—	2,726	2,265	2,029	19	—

Net Assets Attributable to Contractholders Per Unit ⁽¹⁾ (note 7)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
75/75 guarantee policy	12.04	10.62	13.82	12.70	—	1.42	(3.20)
75/100 guarantee policy	11.90	10.53	13.75	12.68	—	1.37	(3.22)
PS1 75/75 guarantee policy	12.19	10.72	13.90	12.73	—	1.47	(3.18)
PS1 75/100 guarantee policy	12.05	10.63	13.83	12.71	—	1.42	(3.20)
PS2 75/75 guarantee policy	13.40	11.46	14.48	—	—	1.94	(3.02)
PS2 75/100 guarantee policy	13.43	11.49	14.51	12.95	—	1.94	(3.02)
PS 75/75 guarantee policy	12.53	10.93	14.07	12.80	—	1.60	(3.14)
PS 75/100 guarantee policy	12.38	10.84	13.99	12.77	—	1.54	(3.15)
PPS 75/75 guarantee policy	12.69	11.03	14.15	12.82	—	1.66	(3.12)
PPS 75/100 guarantee policy	12.54	10.94	14.08	12.80	—	1.60	(3.14)

⁽¹⁾ The Fund commenced on May 11, 2020 and as a result does not have comparative figures for the prior year.

Global Equity Fund 1.08CG

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Global Equity Fund 1.08CG (the Fund) is offered by The Canada Life Assurance Company (Canada Life or the Company).

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

Global Equity Fund 1.08CG

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

Global Equity Fund 1.08CG

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in note 9 on Financial Instrument Risk Management.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

Global Equity Fund 1.08CG

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Investment Fund Units

Investment fund units are recorded at fair value, which is the closing net asset value (NAV) per unit of the underlying fund.

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Global Equity Fund 1.08CG

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

Global Equity Fund 1.08CG

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

k) Income Allocation

Net gain (loss) on investments, which includes realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the NAV per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

3. INVESTMENT FUND UNITS

Investment fund units of the Fund invest solely in underlying mutual funds.

As the Fund's assets are invested in underlying investment funds, the Fund indirectly pays management fees and operating expenses of the underlying funds. All such charges are included in the management expense ratio of the segregated funds.

Distributions of income from the underlying investment funds are shown as net gain (loss) on investments on the Statement of Comprehensive Income.

Investment activity of the underlying fund indirectly exposes the Fund to financial risk. See note 9 on Financial Instrument Risk Management.

Investments in unconsolidated structured entities

The Company has determined that the Fund meets the definition of an investment entity and as such, accounts for its holdings in unlisted open-ended investment funds at FVTPL. The Company has concluded that the underlying funds in which the Fund invests, but do not consolidate, meet the definition of structured entities because: (i) the voting rights in the underlying funds are not dominant rights in deciding who controls them; (ii) each underlying fund's activities are restricted by its prospectus; and (iii) the underlying funds have narrow and well-defined objectives to provide investment opportunities to investors.

Global Equity Fund 1.08CG

Notes to the Financial Statements

(in Canadian \$ thousands)

4. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

The categories of units, and the various levels within each, are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

Global Equity Fund 1.08CG

Notes to the Financial Statements

(in Canadian \$ thousands)

5. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

6. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

7. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

The NAV per unit for group contractholders has not been shown because it will vary for each sub-class within the group contractholder class based on negotiated expense levels and other factors.

Global Equity Fund 1.08CG

Notes to the Financial Statements

(in Canadian \$ thousands)

8. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.

Global Equity Fund 1.08CG

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT

a) Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023. The following sections describe the significant risks that are relevant to the Fund.

To assist with managing risk, the Fund Manager maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and securities regulations. Financial statements for the underlying funds, which include discussions about their respective risk exposure, are available upon request.

b) Liquidity Risk

Liquidity risk arises when a Fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units. As the Fund primarily invests all of its net assets in the underlying funds, liquidity risk is mitigated by the underlying funds' ability to meet the obligation to fund daily cash redemptions of their redeemable units/shares. In addition, the underlying funds retain sufficient cash and cash equivalent positions to maintain adequate liquidity.

c) Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The Fund's investments in all underlying funds are denominated in Canadian dollars. However, the Fund is indirectly exposed to currency risk to the extent that the investments of the underlying funds are denominated or traded in a foreign currency.

d) Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund does not directly hold any interest-bearing financial instruments. The Fund is indirectly exposed to the risk that the value of interest-bearing financial instruments held by the underlying funds will fluctuate due to changes in the prevailing levels of market interest rates.

e) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund has no direct exposure to credit risk. The greatest indirect concentration of credit risk is in debt securities, such as bonds, held by underlying funds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer.

f) Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. For the instruments held by the Fund, maximum risk of loss is equivalent to their fair value. The Fund Manager moderates this risk through a careful selection of underlying funds within the parameters of the investment strategy.

g) Fair Value Classification

Investment Fund Units are recorded at fair value, which is the closing NAV per unit of the underlying fund. This valuation is considered to be a Level 1 classification.

Global Equity Fund 1.08CG

Supplemental Information (unaudited)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾⁽⁴⁾

For the years ended December 31	2023	2022	2021	2020	2019
75/75 guarantee policy	3.05	3.01	2.97	3.02	—
75/100 guarantee policy	3.38	3.33	3.31	3.35	—
PS1 75/75 guarantee policy	2.70	2.67	2.62	2.64	—
PS1 75/100 guarantee policy	3.03	2.99	2.97	2.96	—
PS 75/75 guarantee policy	1.94	1.91	1.88	1.92	—
PS 75/100 guarantee policy	2.27	2.25	2.23	2.25	—
PPS 75/75 guarantee policy	1.59	1.57	1.54	1.52	—
PPS 75/100 guarantee policy	1.93	1.90	1.88	1.86	—

Unsubsidized Management Expense Ratio (%) ⁽²⁾⁽⁴⁾

For the years ended December 31	2023	2022	2021	2020	2019
PS1 75/75 guarantee policy	2.70	2.67	2.62	2.68	—
PS1 75/100 guarantee policy	3.03	2.99	2.97	3.00	—
PPS 75/75 guarantee policy	1.59	1.57	1.54	1.56	—
PPS 75/100 guarantee policy	1.93	1.90	1.88	1.90	—

Portfolio Turnover Rate (%) ⁽³⁾⁽⁴⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	8.39	11.13	13.30	1.38	—

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The Company has waived a portion of the fees for the Preferred Series 1 and Preferred Partner Series guarantee policies. There is no obligation for the Company to continue waiving these fees and it may cease to do so at any time without notice.

(3) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

(4) The Fund commenced on May 11, 2020 and as a result does not have comparative figures for the prior year.

Financial Statements of

**THE CANADA LIFE ASSURANCE COMPANY
GLOBAL FOUNDERS FUND 1.00BG**

December 31, 2023

Independent Auditor's Report

To the Contractholders of Global Founders Fund 1.00BG (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

Global Founders Fund 1.00BG

(in Canadian \$ thousands)

Fund Manager: Beutel, Goodman & Company Ltd.

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ 276	\$ 699
Investment income due and accrued	26	18
Due from The Canada Life Assurance Company (note 7)	60	—
Due from brokers	—	—
Due from outside parties	—	—
Investments		
Bonds	—	—
Stocks	24,864	16,076
Investment fund units	—	—
Total investments	24,864	16,076
Total assets	\$ 25,226	\$ 16,793
Liabilities		
Overdrafts	\$ —	\$ —
Due to The Canada Life Assurance Company (note 7)	—	2
Due to brokers	—	—
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	—	2
Net assets attributable to contractholders	\$ 25,226	\$ 16,791

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 2,362	\$ 554
Miscellaneous income (loss)	(3)	(4)
Total income (loss)	2,359	550
Expenses		
Management fees (note 7)	292	149
Transaction costs	10	13
Withholding taxes	70	45
Other	32	16
Total expenses	404	223
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 1,955	\$ 327

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year	\$ 16,791	\$ 13,084
Contractholder deposits	9,374	5,539
Contractholder withdrawals	(2,894)	(2,159)
Increase (decrease) in net assets from operations attributable to contractholders	1,955	327
Change in net assets attributable to contractholders	8,435	3,707
Net assets attributable to contractholders - end of year	\$ 25,226	\$ 16,791

Global Founders Fund 1.00BG

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 1,955	\$ 327
Adjustments		
Realized (gains) losses	19	(274)
Unrealized (gains) losses	(1,768)	99
Gross proceeds of disposition of investments	1,510	3,979
Gross payments for the purchase of investments	(8,549)	(7,345)
Change in investment income due and accrued	(8)	1
Change in due from/to The Canada Life Assurance Company	(62)	21
Change in due from/to brokers	—	—
Change in due from/to outside parties	—	—
	<u>(6,903)</u>	<u>(3,192)</u>
Financing Activities		
Contractholder deposits	9,374	5,539
Contractholder withdrawals	(2,894)	(2,159)
	<u>6,480</u>	<u>3,380</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	(423)	188
Cash, short-term deposits and overdrafts, beginning of year	699	511
Cash, short-term deposits and overdrafts, end of year	\$ 276	\$ 699
Supplementary cash flow information		
Dividend income received	\$ 574	\$ 373

Global Founders Fund 1.00BG

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or <u>Par Value</u>	Average <u>Cost</u>	Fair <u>Value</u>
Canadian Common Stock			
Communication Services			
Quebecor Media Inc. Class B sub. voting	789	24	25
Rogers Communications Inc. Class B non-voting	835	51	52
Consumer Discretionary			
BRP Inc.	287	29	27
Canadian Tire Corp. Ltd. Class A non-voting	167	27	24
Magna International Inc.	597	51	47
Restaurant Brands International Inc.	453	36	47
Consumer Staples			
Alimentation Couche-Tard Inc.	513	27	40
George Weston Ltd.	143	20	24
Loblaw Companies Ltd.	92	10	12
Metro Inc.	475	32	33
Saputo Inc.	1,027	35	28
Energy			
Hydro One Ltd.	268	9	11
Suncor Energy Inc.	999	36	42
TC Energy Corp.	995	57	52
Financials			
Bank of Montreal	422	51	55
Brookfield Asset Management Inc. Class A	531	24	28
Brookfield Corp.	732	35	39
Manulife Financial Corp.	1,825	45	53
Royal Bank of Canada	806	102	108
Sun Life Financial Inc.	707	45	49
The Bank of Nova Scotia	261	18	17
The Toronto-Dominion Bank	1,062	86	91
Industrials			
CAE Inc.	915	28	26
Canadian National Railway Co.	348	52	58
Canadian Pacific Kansas City Ltd.	375	36	39
RB Global Inc.	517	41	46

Global Founders Fund 1.00BG

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or <u>Par Value</u>	Average <u>Cost</u>	Fair <u>Value</u>
Canadian Common Stock (continued)			
Information Technology			
CGI Group Inc. Class A sub. voting	196	22	28
Open Text Corp.	636	34	35
Materials			
CCL Industries Inc. Class B non-voting	591	37	35
Franco-Nevada Corp.	62	11	9
Nutrien Ltd.	302	25	23
Real Estate			
Colliers International Group Inc.	132	19	22
Utilities			
Fortis Inc.	691	38	38
Total Canadian Common Stock		1,193	1,263
United States Common Stock			
Communication Services			
Comcast Corp. Class A	8,538	502	496
Omnicom Group Inc.	5,819	569	667
The Interpublic Group of Companies Inc.	11,526	513	498
Consumer Discretionary			
eBay Inc.	7,450	533	431
Gentex Corp.	9,725	405	421
Harley-Davidson Inc.	12,106	601	591
Polaris Inc.	3,499	538	439
Tempur Sealy International Inc.	7,450	308	503
Consumer Staples			
Campbell Soup Co.	8,354	514	479
Kellanova	7,441	578	551
Kimberly-Clark Corp.	3,568	617	574
WK Kellogg Co.	1,575	32	27
Financials			
American Express Co.	3,214	647	798

Global Founders Fund 1.00BG

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or Par Value	Average Cost	Fair Value
United States Common Stock (continued)			
Financials (continued)			
Ameriprise Financial Inc.	1,165	413	586
BlackRock Inc.	535	458	575
SEI Investments Co.	6,489	499	546
The Carlyle Group Inc.	6,771	296	365
Health Care			
Amgen Inc.	2,339	717	894
Biogen Inc.	1,572	561	539
Cencora Inc.	1,073	185	292
Merck & Co. Inc.	3,833	457	554
Industrials			
Cummins Inc.	1,462	433	464
Flowserve Corp.	10,848	498	592
Masco Corp.	7,023	472	623
Parker Hannifin Corp.	403	156	246
Wabtec Corp.	2,622	305	441
Information Technology			
Gen Digital Inc.	20,866	606	631
NetApp Inc.	6,993	644	817
Qualcomm Inc.	4,321	685	829
Materials			
PPG Industries Inc.	653	122	129
Total United States Common Stock		13,864	15,598
Global Common Stock			
Australia			
Ampol Ltd.	12,077	330	394
Denmark			
Carlsberg AS	1,850	354	307
Finland			
Konecranes OYJ	7,231	327	431

Global Founders Fund 1.00BG

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or Par Value	Average Cost	Fair Value
Global Common Stock (continued)			
France			
Compagnie Generale des Etablissements Michelin	5,904	253	280
Germany			
BASF SE	3,374	269	241
Heidelberg Materials AG	2,291	211	271
Merck KGaA	835	174	176
Guernsey			
Amdocs Ltd.	6,095	634	710
Japan			
Hakuhodo DY Holdings Inc.	11,269	170	114
Nippon Telegraph & Telephone Corp.	90,367	129	146
Shionogi & Co. Ltd.	3,866	267	247
Netherlands			
Akzo Nobel NV	3,152	346	345
Euronext NV	2,433	238	280
Koninklijke KPN NV	52,075	221	237
Norway			
Atea ASA	18,245	316	307
Gjensidige Forsikring ASA	6,327	143	155
TGS ASA	14,099	244	243
Singapore			
DBS Group Holdings Ltd.	4,210	131	141
Sweden			
Essity AB	8,325	307	273
Switzerland			
Dormakaba Holding AG	511	353	365
Julius Baer Group Ltd.	2,911	211	216
Novartis AG	1,878	216	251
Roche Holding AG	834	364	321

Global Founders Fund 1.00BG

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or Par Value	Average Cost	Fair Value
Global Common Stock (continued)			
United Kingdom			
GSK PLC	11,076	284	271
IMI PLC	12,322	308	350
ITV PLC	184,873	277	197
Smith & Nephew PLC	13,627	289	248
Smiths Group PLC	9,896	261	295
Unilever PLC	2,981	197	191
Total Global Common Stock		7,824	8,003
Total Stocks		22,881	24,864
Transaction Costs (note 2)		(25)	
Total Investments		22,856	24,864

Global Founders Fund 1.00BG

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

Introduction

The objective of the Global Founders Fund 1.00BG (the Fund) in managing risk is the creation and protection of contractholder value. Risk is inherent in the Fund's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. The process of risk management is critical to the Fund's continuing profitability. The Fund can be exposed to liquidity risk, market risk (which includes currency risk, interest rate risk and other price risk) and credit risk arising from the financial instruments it holds.

A. Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023, and groups the securities by asset type, geographic region and/or market segment. The following sections describe the significant risks that are relevant to the Fund.

To assist with managing risk, The Canada Life Assurance Company (Canada Life or the Company) maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and other regulations.

B. Liquidity Risk

Liquidity risk arises when a fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units by contractholders. The Fund retains sufficient cash and cash equivalent positions to maintain adequate liquidity to meet the obligation to fund daily cash redemptions of their redeemable units.

Some securities are illiquid due to legal restrictions on their resale, the nature of the investment, or simply a lack of interested buyers for a particular security or security type. Certain securities may become less liquid due to changes in market conditions, such as interest rate changes or market volatility, which could impair the ability of a fund to sell such securities quickly.

In accordance with the Fund's policy, the Company monitors the Fund's liquidity positions on a regular basis.

C. Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The classifications used on the Schedule of Investment Portfolio for the financial instruments are based on the country of issue.

Global Founders Fund 1.00BG

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

C. Currency Risk (continued)

The table below indicates the foreign currencies to which the Fund had significant exposure as at December 31, 2023 in Canadian dollar terms, including the underlying principal amount of forward currency contracts, if any. The table also illustrates the potential impact to the Fund's net assets attributable to contractholders, all other variables held constant, as a result of a 1% change in these currencies relative to the Canadian dollar. In practice, the actual results may differ from this sensitivity analysis and the difference could be significant.

2023

Currency	Investments	Cash, Short-term Deposits and Overdrafts	Total*	Impact on Net Assets Attributable to Contractholders
United States Dollar	\$ 16,308	\$ 2	\$ 16,310	\$ 163
Euro	2,261	—	2,261	23
United Kingdom Pound Sterling	1,552	—	1,552	16
Other Currencies	3,480	2	3,482	34
Total	\$ 23,601	\$ 4	\$ 23,605	\$ 236
As Percent of Net Assets Attributable to Contractholders			93.6%	0.9%

*Includes both monetary and non-monetary instruments

2022

Currency	Investments	Cash, Short-term Deposits and Overdrafts	Total*	Impact on Net Assets Attributable to Contractholders
United States Dollar	\$ 10,549	\$ —	\$ 10,549	\$ 106
Euro	1,299	—	1,299	13
United Kingdom Pound Sterling	1,113	—	1,113	11
Other Currencies	2,343	—	2,343	23
Total	\$ 15,304	\$ —	\$ 15,304	\$ 153
As Percent of Net Assets Attributable to Contractholders			91.1%	0.9%

*Includes both monetary and non-monetary instruments

D. Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. The Fund Manager moderates this risk through careful selection of securities and other financial instruments within the parameters of the investment strategy. The maximum risk resulting from financial instruments is equivalent to their fair value.

For the Fund, the most significant exposure to other price risk arises from its investment in equity securities. As at December 31, 2023, had the prices on the respective stock exchanges for these securities increased or decreased by 1%, with all other variables held constant, assets would have increased (or decreased) by approximately \$249 (\$161 at December 31, 2022) or approximately 1.0% (1.0% at December 31, 2022) of total net assets attributable to contractholders. In practice, the actual results may differ and the difference could be significant.

Global Founders Fund 1.00BG

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

E. Fair Value Classification

The following table presents information about the Fund's assets and liabilities measured at fair value on a recurring basis and indicates the fair value hierarchy of the valuation techniques utilized by the Fund to determine such fair value:

<u>Assets measured at fair value</u>	2023			
	Assets and Liabilities Measured at Fair Value			
	Level 1	Level 2	Level 3	Total
Stocks	\$ 24,864	\$ —	\$ —	\$ 24,864
Total assets measured at fair value	\$ 24,864	\$ —	\$ —	\$ 24,864

<u>Assets measured at fair value</u>	2022			
	Assets and Liabilities Measured at Fair Value			
	Level 1	Level 2	Level 3	Total
Stocks	\$ 16,076	\$ —	\$ —	\$ 16,076
Total assets measured at fair value	\$ 16,076	\$ —	\$ —	\$ 16,076

There were no significant transfers between Level 1 and Level 2 during 2023 or 2022.

Global Founders Fund 1.00BG

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance. Portfolio units are allocated to each category as described in note 3 and are not included on this page.

Net Assets Attributable to Contractholders by Category ⁽¹⁾

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
75/75 guarantee policy	178,610	104,072	58,534	125,655	—	2,457	1,323	745	1,449	—
75/100 guarantee policy	371,828	206,608	119,791	30,892	—	5,054	2,603	1,517	356	—
PS1 75/75 guarantee policy	93,195	57,748	37,362	1,671	—	1,299	741	478	19	—
PS1 75/100 guarantee policy	356,015	162,443	114,037	14,416	—	4,901	2,065	1,452	166	—
PS2 75/75 guarantee policy	39,619	31,059	5,011	3,199	—	603	425	67	38	—
PS2 75/100 guarantee policy	10,031	6,400	38,071	—	—	153	88	507	—	—
PS 75/75 guarantee policy	34,271	30,300	17,936	859	—	491	397	233	10	—
PS 75/100 guarantee policy	14,273	13,151	38,783	579	—	202	171	500	7	—
PPS 75/75 guarantee policy	24,750	23,561	11,107	939	—	359	311	145	11	—
PPS 75/100 guarantee policy	11,447	6,239	15,695	1,611	—	164	82	204	19	—

Net Assets Attributable to Contractholders Per Unit ⁽¹⁾ (note 6)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
75/75 guarantee policy	13.76	12.71	12.73	11.54	—	1.05	(0.02)
75/100 guarantee policy	13.59	12.60	12.66	11.51	—	0.99	(0.06)
PS1 75/75 guarantee policy	13.94	12.83	12.80	11.56	—	1.11	0.03
PS1 75/100 guarantee policy	13.77	12.72	12.73	11.54	—	1.05	(0.01)
PS2 75/75 guarantee policy	15.23	13.68	13.33	11.74	—	1.55	0.35
PS2 75/100 guarantee policy	15.23	13.68	13.33	—	—	1.55	0.35
PS 75/75 guarantee policy	14.33	13.09	12.97	11.62	—	1.24	0.12
PS 75/100 guarantee policy	14.15	12.97	12.89	11.59	—	1.18	0.08
PPS 75/75 guarantee policy	14.51	13.21	13.04	11.64	—	1.30	0.17
PPS 75/100 guarantee policy	14.34	13.09	12.97	11.62	—	1.25	0.12

⁽¹⁾ The Fund commenced on May 11, 2020 and as a result does not have comparative figures for the prior year.

Global Founders Fund 1.00BG

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Fund is offered by The Canada Life Assurance Company.

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

Global Founders Fund 1.00BG

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

Global Founders Fund 1.00BG

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in fair value measurements in the notes to the Schedule of Investment Portfolio.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

Global Founders Fund 1.00BG

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) **Stocks**

Stocks are recorded at fair value determined with reference to closing quoted market prices, where the last traded price falls within the day's bid-ask spread, primarily provided by third party independent pricing sources. Fair values are determined on the basis of the closing price for a security on the recognized exchange on which it is principally traded at each reporting date. In circumstances where the last traded price is not within the bid-ask spread, the Company determines the point when the bid-ask spread that is most representative of fair value based on the specific facts and circumstances.

The fair value of unlisted securities is established using quotations determined by a major dealer in a particular security. Should the quoted value for a security, in the opinion of the Fund Manager, be inaccurate, unreliable, or not readily available, the value of the security is estimated using valuation techniques. Valuation techniques include the market approach (using recent arm's-length market transactions adjusted as necessary and reference to the current market value of another instrument that is substantially the same) and the income approach (discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible).

d) **Cash, Short-term Deposits and Overdrafts**

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) **Classification of Units Issued by the Fund**

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) **Recognition of Investments and Income**

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

Dividend income - accrued as of the ex-dividend date and recorded on the accrual basis.

Global Founders Fund 1.00BG

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

Miscellaneous income (loss)

Miscellaneous income (loss) generally includes the changes in foreign exchange rates between trade and settlement dates, foreign exchange rates on bank balances, securities lending income, derivative income, and management fee rebates.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

Global Founders Fund 1.00BG

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

k) Income Allocation

Net gain (loss) on investments, which includes dividend income, realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the net asset value (NAV) per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

m) Transaction Costs

Transaction costs, such as brokerage commissions, incurred in the purchase and sale of securities by the Fund are charged to expenses in the year.

Global Founders Fund 1.00BG

Notes to the Financial Statements

(in Canadian \$ thousands)

3. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

Portfolio units are those units owned by the Asset Allocation Funds. Each Portfolio fund is represented by a separate category.

The categories of units are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

Global Founders Fund 1.00BG

Notes to the Financial Statements

(in Canadian \$ thousands)

4. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

5. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

6. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

The NAV per unit for group contractholders has not been shown because it will vary for each sub-class within the group contractholder class based on negotiated expense levels and other factors.

Global Founders Fund 1.00BG

Notes to the Financial Statements

(in Canadian \$ thousands)

7. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.

Global Founders Fund 1.00BG

Supplemental Information *(unaudited)*

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾⁽³⁾

For the years ended December 31	2023	2022	2021	2020	2019
75/75 guarantee policy	2.78	2.79	2.85	2.76	—
75/100 guarantee policy	3.11	3.12	3.18	3.09	—
PS1 75/75 guarantee policy	2.43	2.42	2.49	2.41	—
PS1 75/100 guarantee policy	2.76	2.75	2.82	2.74	—
PS 75/75 guarantee policy	1.68	1.67	1.69	1.66	—
PS 75/100 guarantee policy	2.01	2.03	2.05	1.98	—
PPS 75/75 guarantee policy	1.33	1.32	1.34	1.30	—
PPS 75/100 guarantee policy	1.66	1.69	1.69	1.64	—

Portfolio Turnover Rate (%) ⁽²⁾⁽³⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	7.18	28.17	36.15	17.66	—

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

(3) The Fund commenced on May 11, 2020 and as a result does not have comparative figures for the prior year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
GLOBAL GROWTH EQUITY FUND 1.07TRP

December 31, 2023

Independent Auditor's Report

To the Contractholders of Global Growth Equity Fund 1.07TRP (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

Global Growth Equity Fund 1.07TRP

(in Canadian \$ thousands)

Fund Manager: T Rowe Price (Canada), Inc.

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ 39	\$ —
Investment income due and accrued	—	—
Due from The Canada Life Assurance Company (note 8)	—	109
Due from brokers	—	—
Due from outside parties	—	—
Investments		
Investment fund units (note 3)	73,433	63,593
Total investments	73,433	63,593
Total assets	\$ 73,472	\$ 63,702
Liabilities		
Overdrafts	\$ —	\$ 139
Due to The Canada Life Assurance Company (note 8)	6	—
Due to brokers	—	—
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	6	139
Net assets attributable to contractholders	\$ 73,466	\$ 63,563

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 12,280	\$ (20,963)
Miscellaneous income (loss)	—	—
Total income (loss)	12,280	(20,963)
Expenses		
Management fees (note 8)	819	815
Other	85	85
Total expenses	904	900
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 11,376	\$ (21,863)

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year		
	\$ 63,563	\$ 85,966
Contractholder deposits	6,213	5,732
Contractholder withdrawals	(7,686)	(6,272)
Increase (decrease) in net assets from operations attributable to contractholders	11,376	(21,863)
Change in net assets attributable to contractholders	9,903	(22,403)
Net assets attributable to contractholders - end of year	\$ 73,466	\$ 63,563

Global Growth Equity Fund 1.07TRP

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 11,376	\$ (21,863)
Adjustments		
Realized (gains) losses	1,666	2,841
Unrealized (gains) losses	(13,271)	18,699
Gross proceeds of disposition of investments	7,987	9,513
Gross payments for the purchase of investments	(5,547)	(8,373)
Distribution income of underlying mutual fund	(675)	(577)
Change in due from/to The Canada Life Assurance Company	115	(3)
Change in due from/to brokers	—	—
	<u>1,651</u>	<u>237</u>
Financing Activities		
Contractholder deposits	6,213	5,732
Contractholder withdrawals	(7,686)	(6,272)
	<u>(1,473)</u>	<u>(540)</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	178	(303)
Cash, short-term deposits and overdrafts, beginning of year	<u>(139)</u>	<u>164</u>
Cash, short-term deposits and overdrafts, end of year	<u>\$ 39</u>	<u>\$ (139)</u>

Global Growth Equity Fund 1.07TRP

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units)

As at December 31, 2023

	<u>No. of Units</u>	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units			
Global Growth Equity Pool	4,855,239	82,766	73,433
Total Investments		82,766	73,433

Top 25 Holdings

Security Description	% of Total
Microsoft Corp.	4.48%
Apple Inc.	3.66%
Amazon.com Inc.	3.07%
NVIDIA Corp.	2.95%
Alphabet Inc. Class C	2.65%
Roper Technologies Inc.	1.94%
Eli Lilly and Co.	1.76%
The Charles Schwab Corp.	1.41%
PT Sumber Alfaria Trijaya TBK	1.34%
Linde PLC	1.33%
Evotec SE	1.26%
BDO Unibank Inc.	1.07%
Meta Platforms Inc.	1.07%
Fiserv Inc.	0.93%
PT Bank Central Asia TBK	0.91%
Axis Bank Ltd.	0.90%
The Cigna Group	0.89%
Schlumberger Ltd.	0.85%
Salesforce Inc.	0.82%
Daiichi Sankyo Company Ltd.	0.80%
Fifth Third Bancorp	0.79%
American International Group Inc.	0.78%
HDFC Bank Ltd.	0.78%
Keyence Corp.	0.78%
Stryker Corp.	0.78%

Global Growth Equity Fund 1.07TRP

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance. Portfolio units are allocated to each category as described in note 4 and are not included on this page.

Net Assets Attributable to Contractholders by Category ⁽¹⁾

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
75/75 guarantee policy	506,811	580,658	512,438	652,058	—	6,072	5,999	7,184	8,545	—
75/100 guarantee policy	792,306	807,732	811,068	145,342	—	9,377	8,270	11,307	1,900	—
PS1 75/75 guarantee policy	358,795	372,427	330,803	87,003	—	4,357	3,886	4,668	1,143	—
PS1 75/100 guarantee policy	787,553	766,726	834,174	181,710	—	9,449	7,931	11,707	2,383	—
PS2 75/75 guarantee policy	75,523	81,029	104,359	24,849	—	1,012	908	1,539	332	—
PS2 75/100 guarantee policy	121,888	117,955	153,991	31,168	—	1,636	1,323	2,273	417	—
PS 75/75 guarantee policy	26,618	29,874	27,789	3,547	—	332	318	397	47	—
PS 75/100 guarantee policy	35,082	42,117	88,225	8,629	—	432	444	1,253	114	—
PPS 75/75 guarantee policy	8,105	11,609	19,264	4,807	—	102	125	276	64	—
PPS 75/100 guarantee policy	81,898	83,585	91,277	3,719	—	1,023	890	1,304	49	—

Net Assets Attributable to Contractholders Per Unit ⁽¹⁾ (note 7)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
75/75 guarantee policy	11.98	10.33	14.02	13.10	—	1.65	(3.69)
75/100 guarantee policy	11.83	10.24	13.94	13.07	—	1.59	(3.70)
PS1 75/75 guarantee policy	12.14	10.43	14.11	13.14	—	1.71	(3.68)
PS1 75/100 guarantee policy	12.00	10.34	14.03	13.11	—	1.66	(3.69)
PS2 75/75 guarantee policy	13.41	11.21	14.74	13.35	—	2.20	(3.53)
PS2 75/100 guarantee policy	13.42	11.22	14.76	13.37	—	2.20	(3.54)
PS 75/75 guarantee policy	12.47	10.64	14.28	13.20	—	1.83	(3.64)
PS 75/100 guarantee policy	12.32	10.54	14.20	13.17	—	1.78	(3.66)
PPS 75/75 guarantee policy	12.63	10.73	14.35	13.22	—	1.90	(3.62)
PPS 75/100 guarantee policy	12.49	10.65	14.29	13.20	—	1.84	(3.64)

⁽¹⁾ The Fund commenced on May 11, 2020 and as a result does not have comparative figures for the prior year.

Global Growth Equity Fund 1.07TRP

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Global Growth Equity Fund 1.07TRP (the Fund) is offered by The Canada Life Assurance Company (Canada Life or the Company).

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

Global Growth Equity Fund 1.07TRP

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

Global Growth Equity Fund 1.07TRP

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in note 9 on Financial Instrument Risk Management.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

Global Growth Equity Fund 1.07TRP

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Investment Fund Units

Investment fund units are recorded at fair value, which is the closing net asset value (NAV) per unit of the underlying fund.

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Global Growth Equity Fund 1.07TRP

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

Global Growth Equity Fund 1.07TRP

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

k) Income Allocation

Net gain (loss) on investments, which includes realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the NAV per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

3. INVESTMENT FUND UNITS

Investment fund units of the Fund invest solely in underlying mutual funds.

As the Fund's assets are invested in underlying investment funds, the Fund indirectly pays management fees and operating expenses of the underlying funds. All such charges are included in the management expense ratio of the segregated funds.

Distributions of income from the underlying investment funds are shown as net gain (loss) on investments on the Statement of Comprehensive Income.

Investment activity of the underlying fund indirectly exposes the Fund to financial risk. See note 9 on Financial Instrument Risk Management.

Investments in unconsolidated structured entities

The Company has determined that the Fund meets the definition of an investment entity and as such, accounts for its holdings in unlisted open-ended investment funds at FVTPL. The Company has concluded that the underlying funds in which the Fund invests, but do not consolidate, meet the definition of structured entities because: (i) the voting rights in the underlying funds are not dominant rights in deciding who controls them; (ii) each underlying fund's activities are restricted by its prospectus; and (iii) the underlying funds have narrow and well-defined objectives to provide investment opportunities to investors.

Global Growth Equity Fund 1.07TRP

Notes to the Financial Statements

(in Canadian \$ thousands)

4. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

Portfolio units are those units owned by the Asset Allocation Funds. Each Portfolio fund is represented by a separate category.

The categories of units, and the various levels within each, are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

Global Growth Equity Fund 1.07TRP

Notes to the Financial Statements

(in Canadian \$ thousands)

5. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

6. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

7. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

The NAV per unit for group contractholders has not been shown because it will vary for each sub-class within the group contractholder class based on negotiated expense levels and other factors.

Global Growth Equity Fund 1.07TRP

Notes to the Financial Statements

(in Canadian \$ thousands)

8. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.

Global Growth Equity Fund 1.07TRP

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT

a) Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023. The following sections describe the significant risks that are relevant to the Fund.

To assist with managing risk, the Fund Manager maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and securities regulations. Financial statements for the underlying funds, which include discussions about their respective risk exposure, are available upon request.

b) Liquidity Risk

Liquidity risk arises when a Fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units. As the Fund primarily invests all of its net assets in the underlying funds, liquidity risk is mitigated by the underlying funds' ability to meet the obligation to fund daily cash redemptions of their redeemable units/shares. In addition, the underlying funds retain sufficient cash and cash equivalent positions to maintain adequate liquidity.

c) Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The Fund's investments in all underlying funds are denominated in Canadian dollars. However, the Fund is indirectly exposed to currency risk to the extent that the investments of the underlying funds are denominated or traded in a foreign currency.

d) Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund does not directly hold any interest-bearing financial instruments. The Fund is indirectly exposed to the risk that the value of interest-bearing financial instruments held by the underlying funds will fluctuate due to changes in the prevailing levels of market interest rates.

e) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund has no direct exposure to credit risk. The greatest indirect concentration of credit risk is in debt securities, such as bonds, held by underlying funds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer.

f) Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. For the instruments held by the Fund, maximum risk of loss is equivalent to their fair value. The Fund Manager moderates this risk through a careful selection of underlying funds within the parameters of the investment strategy.

g) Fair Value Classification

Investment Fund Units are recorded at fair value, which is the closing NAV per unit of the underlying fund. This valuation is considered to be a Level 1 classification.

Global Growth Equity Fund 1.07TRP

Supplemental Information (unaudited)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾⁽⁴⁾

For the years ended December 31	2023	2022	2021	2020	2019
75/75 guarantee policy	3.11	3.09	3.15	3.10	—
75/100 guarantee policy	3.44	3.43	3.48	3.43	—
PS1 75/75 guarantee policy	2.75	2.74	2.78	2.67	—
PS1 75/100 guarantee policy	3.08	3.07	3.11	3.00	—
PS 75/75 guarantee policy	2.01	1.99	2.01	2.01	—
PS 75/100 guarantee policy	2.34	2.34	2.37	2.34	—
PPS 75/75 guarantee policy	1.65	1.64	1.65	1.56	—
PPS 75/100 guarantee policy	1.98	1.97	2.00	1.91	—

Unsubsidized Management Expense Ratio (%) ⁽²⁾⁽⁴⁾

For the years ended December 31	2023	2022	2021	2020	2019
PS1 75/75 guarantee policy	2.75	2.74	2.80	2.75	—
PS1 75/100 guarantee policy	3.08	3.07	3.13	3.08	—
PPS 75/75 guarantee policy	1.65	1.64	1.67	1.64	—
PPS 75/100 guarantee policy	1.98	1.97	2.02	1.99	—

Portfolio Turnover Rate (%) ⁽³⁾⁽⁴⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	8.05	12.04	9.34	0.10	—

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The Company has waived a portion of the fees for the Preferred Series 1 and Preferred Partner Series guarantee policies. There is no obligation for the Company to continue waiving these fees and it may cease to do so at any time without notice.

(3) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

(4) The Fund commenced on May 11, 2020 and as a result does not have comparative figures for the prior year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
SUSTAINABLE GLOBAL EQUITY FUND 2.35JPM

December 31, 2023

Independent Auditor's Report

To the Contractholders of Sustainable Global Equity Fund 2.35JPM (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statement of financial position as at December 31, 2023, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the period then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023, and its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

Sustainable Global Equity Fund 2.35JPM

(in Canadian \$ thousands)

Fund Manager: Canada Life Investment Management Ltd.

Statement of Financial Position

	December 31 2023	December 31 2022
		(note 1)
Assets		
Cash and short-term deposits	\$ —	\$ —
Investment income due and accrued	—	—
Due from The Canada Life Assurance Company (note 8)	—	—
Due from brokers	—	—
Due from outside parties	—	—
Investments		
Investment fund units (note 3)	50	—
Total investments	50	—
Total assets	\$ 50	\$ —
Liabilities		
Overdrafts	\$ —	\$ —
Due to The Canada Life Assurance Company (note 8)	—	—
Due to brokers	—	—
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	—	—
Net assets attributable to contractholders	\$ 50	\$ —

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
		(note 1)
Income		
Net gain (loss) on investments	\$ —	\$ —
Miscellaneous income (loss)	—	—
Total income (loss)	—	—
Expenses		
Management fees (note 8)	—	—
Other	—	—
Total expenses	—	—
Net increase (decrease) in net assets from operations attributable to contractholders	\$ —	\$ —

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
		(note 1)
Net assets attributable to contractholders - beginning of year		
	\$ —	\$ —
Contractholder deposits	50	—
Contractholder withdrawals	—	—
Increase (decrease) in net assets from operations attributable to contractholders	—	—
Change in net assets attributable to contractholders	50	—
Net assets attributable to contractholders - end of year	\$ 50	\$ —

Sustainable Global Equity Fund 2.35JPM

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
		(note 1)
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ —	\$ —
Adjustments		
Realized (gains) losses	—	—
Unrealized (gains) losses	1	—
Gross proceeds of disposition of investments	—	—
Gross payments for the purchase of investments	(50)	—
Distribution income of underlying mutual fund	(1)	—
Change in due from/to The Canada Life Assurance Company	—	—
Change in due from/to brokers	—	—
	<u>(50)</u>	<u>—</u>
Financing Activities		
Contractholder deposits	50	—
Contractholder withdrawals	—	—
	<u>50</u>	<u>—</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	—	—
Cash, short-term deposits and overdrafts, beginning of year	<u>—</u>	<u>—</u>
Cash, short-term deposits and overdrafts, end of year	<u>\$ —</u>	<u>\$ —</u>

Sustainable Global Equity Fund 2.35JPM

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units)

As at December 31, 2023

	<u>No. of Units</u>	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units			
Canada Life Sustainable Global Equity Fund Series S *	4	50	50
Total Investments		50	50

Top 25 Holdings

Security Description	% of Total
Microsoft Corp.	6.72%
Amazon.com Inc.	5.17%
UnitedHealth Group Inc.	3.59%
Mastercard Inc. Class A	3.51%
The Progressive Corp.	2.93%
Taiwan Semiconductor Manufacturing Co. Ltd. ADR	2.56%
ASML Holding NV	2.54%
NVIDIA Corp.	2.52%
Costco Wholesale Corp.	2.44%
Intuit Inc.	2.22%
AbbVie Inc.	2.18%
Nestle SA	2.13%
Walmart de Mexico SAB de CV	2.08%
NextEra Energy Inc.	2.05%
LVMH Moet Hennessy Louis Vuitton SE	2.03%
Iberdrola SA	1.93%
ProLogis Inc. REIT	1.92%
Wells Fargo & Co.	1.85%
Trane Technologies PLC	1.83%
HDFC Bank Ltd. ADR	1.80%
NXP Semiconductors NV	1.77%
Vertex Pharmaceuticals Inc.	1.77%
Tokio Marine Holdings Inc.	1.60%
Keyence Corp.	1.56%
Volvo AB Series B	1.55%

*The issuer of this security is a related company to the issuer of the Fund.

Sustainable Global Equity Fund 2.35JPM

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Net Assets Attributable to Contractholders by Category (note 1)

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
75/75 guarantee policy	4,789	—	—	—	—	48	—	—	—	—
75/100 guarantee policy	178	—	—	—	—	2	—	—	—	—

Net Assets Attributable to Contractholders Per Unit (notes 1, 7)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
75/75 guarantee policy	10.06	—	—	—	—	10.06	—
75/100 guarantee policy	10.06	—	—	—	—	10.06	—

Sustainable Global Equity Fund 2.35JPM

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Sustainable Global Equity Fund 2.35JPM (the Fund) is offered by The Canada Life Assurance Company (Canada Life or the Company). The Fund commenced on October 23, 2023 and as a result does not have comparative figures for the prior years.

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

Sustainable Global Equity Fund 2.35JPM

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

Sustainable Global Equity Fund 2.35JPM

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in note 9 on Financial Instrument Risk Management.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

Sustainable Global Equity Fund 2.35JPM

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Investment Fund Units

Investment fund units are recorded at fair value, which is the closing net asset value (NAV) per unit of the underlying fund.

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Sustainable Global Equity Fund 2.35JPM

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

Sustainable Global Equity Fund 2.35JPM

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

k) Income Allocation

Net gain (loss) on investments, which includes realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the NAV per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

3. INVESTMENT FUND UNITS

Investment fund units of the Fund invest solely in underlying mutual funds.

As the Fund's assets are invested in underlying investment funds, the Fund indirectly pays management fees and operating expenses of the underlying funds. All such charges are included in the management expense ratio of the segregated funds.

Distributions of income from the underlying investment funds are shown as net gain (loss) on investments on the Statement of Comprehensive Income.

Investment activity of the underlying fund indirectly exposes the Fund to financial risk. See note 9 on Financial Instrument Risk Management.

Investments in unconsolidated structured entities

The Company has determined that the Fund meets the definition of an investment entity and as such, accounts for its holdings in unlisted open-ended investment funds at FVTPL. The Company has concluded that the underlying funds in which the Fund invests, but do not consolidate, meet the definition of structured entities because: (i) the voting rights in the underlying funds are not dominant rights in deciding who controls them; (ii) each underlying fund's activities are restricted by its prospectus; and (iii) the underlying funds have narrow and well-defined objectives to provide investment opportunities to investors.

Sustainable Global Equity Fund 2.35JPM

Notes to the Financial Statements

(in Canadian \$ thousands)

4. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

The categories of units, and the various levels within each, are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

Sustainable Global Equity Fund 2.35JPM

Notes to the Financial Statements

(in Canadian \$ thousands)

5. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

6. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

7. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

The NAV per unit for group contractholders has not been shown because it will vary for each sub-class within the group contractholder class based on negotiated expense levels and other factors.

Sustainable Global Equity Fund 2.35JPM

Notes to the Financial Statements

(in Canadian \$ thousands)

8. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.

Sustainable Global Equity Fund 2.35JPM

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT

a) Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023. The following sections describe the significant risks that are relevant to the Fund.

To assist with managing risk, the Fund Manager maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and securities regulations. Financial statements for the underlying funds, which include discussions about their respective risk exposure, are available upon request.

b) Liquidity Risk

Liquidity risk arises when a Fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units. As the Fund primarily invests all of its net assets in the underlying funds, liquidity risk is mitigated by the underlying funds' ability to meet the obligation to fund daily cash redemptions of their redeemable units/shares. In addition, the underlying funds retain sufficient cash and cash equivalent positions to maintain adequate liquidity.

c) Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The Fund's investments in all underlying funds are denominated in Canadian dollars. However, the Fund is indirectly exposed to currency risk to the extent that the investments of the underlying funds are denominated or traded in a foreign currency.

d) Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund does not directly hold any interest-bearing financial instruments. The Fund is indirectly exposed to the risk that the value of interest-bearing financial instruments held by the underlying funds will fluctuate due to changes in the prevailing levels of market interest rates.

e) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund has no direct exposure to credit risk. The greatest indirect concentration of credit risk is in debt securities, such as bonds, held by underlying funds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer.

f) Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. For the instruments held by the Fund, maximum risk of loss is equivalent to their fair value. The Fund Manager moderates this risk through a careful selection of underlying funds within the parameters of the investment strategy.

g) Fair Value Classification

Investment Fund Units are recorded at fair value, which is the closing NAV per unit of the underlying fund. This valuation is considered to be a Level 1 classification.

Sustainable Global Equity Fund 2.35JPM

Supplemental Information (unaudited)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾⁽³⁾

For the years ended December 31	2023	2022	2021	2020	2019
75/75 guarantee policy	2.99	—	—	—	—
75/100 guarantee policy	3.28	—	—	—	—

Portfolio Turnover Rate (%) ⁽²⁾⁽³⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	2.49	—	—	—	—

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

(3) The Fund commenced on October 23, 2023 and as a result does not have comparative figures for the prior years.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
SUSTAINABLE EMERGING MARKETS EQUITY FUND 2.36JPM

December 31, 2023

Independent Auditor's Report

To the Contractholders of Sustainable Emerging Markets Equity Fund 2.36JPM (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statement of financial position as at December 31, 2023, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the period then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023, and its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

Sustainable Emerging Markets Equity Fund 2.36JPM

(in Canadian \$ thousands)

Fund Manager: Canada Life Investment Management Ltd.

Statement of Financial Position

	December 31 2023	December 31 2022
		(note 1)
Assets		
Cash and short-term deposits	\$ —	\$ —
Investment income due and accrued	—	—
Due from The Canada Life Assurance Company (note 8)	—	—
Due from brokers	—	—
Due from outside parties	—	—
Investments		
Investment fund units (note 3)	7	—
Total investments	7	—
Total assets	\$ 7	\$ —
Liabilities		
Overdrafts	\$ —	\$ —
Due to The Canada Life Assurance Company (note 8)	—	—
Due to brokers	—	—
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	—	—
Net assets attributable to contractholders	\$ 7	\$ —

Statement of Comprehensive Income

	December 31 2023	December 31 2022
		(note 1)
Income		
Net gain (loss) on investments	\$ —	\$ —
Miscellaneous income (loss)	—	—
Total income (loss)	—	—
Expenses		
Management fees (note 8)	—	—
Other	—	—
Total expenses	—	—
Net increase (decrease) in net assets from operations attributable to contractholders	\$ —	\$ —

Statement of Changes in Net Assets Attributable to Contractholders

	December 31 2023	December 31 2022
		(note 1)
Net assets attributable to contractholders - beginning of year	\$ —	\$ —
Contractholder deposits	7	—
Contractholder withdrawals	—	—
Increase (decrease) in net assets from operations attributable to contractholders	—	—
Change in net assets attributable to contractholders	7	—
Net assets attributable to contractholders - end of year	\$ 7	\$ —

Sustainable Emerging Markets Equity Fund 2.36JPM

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
		(note 1)
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ —	\$ —
Adjustments		
Realized (gains) losses	—	—
Unrealized (gains) losses	—	—
Gross proceeds of disposition of investments	1	—
Gross payments for the purchase of investments	(8)	—
Distribution income of underlying mutual fund	—	—
Change in due from/to The Canada Life Assurance Company	—	—
Change in due from/to brokers	—	—
	<u>(7)</u>	<u>—</u>
Financing Activities		
Contractholder deposits	7	—
Contractholder withdrawals	—	—
	<u>7</u>	<u>—</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	—	—
Cash, short-term deposits and overdrafts, beginning of year	<u>—</u>	<u>—</u>
Cash, short-term deposits and overdrafts, end of year	<u>\$ —</u>	<u>\$ —</u>

Sustainable Emerging Markets Equity Fund 2.36JPM

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units)

As at December 31, 2023

	<u>No. of Units</u>	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units			
Canada Life Sustainable Emerging Markets Equity Fund Series S *	1	6	7
Total Investments		6	7

Top 25 Holdings

Security Description	% of Total
Taiwan Semiconductor Manufacturing Co. Ltd. ADR	8.93%
Tencent Holdings Ltd.	5.31%
HDFC Bank Ltd. ADR	2.90%
PT Bank Central Asia TBK	2.86%
FirstRand Ltd.	2.77%
Kotak Mahindra Bank Ltd.	2.50%
NetEase Inc.	2.47%
MercadoLibre Inc.	2.45%
Delta Electronics Inc.	2.36%
HDFC Bank Ltd.	2.36%
Walmart de Mexico SAB de CV	2.31%
Globant SA	2.25%
Jeronimo Martins SGPS SA	2.25%
Mahindra & Mahindra Ltd.	2.21%
Haier Smart Home Co. Ltd.	2.19%
Accton Technology Corp.	2.11%
Advantech Co. Ltd.	1.87%
Cash and short-term deposits	1.70%
Infosys Ltd. ADR	1.69%
Midea Group Co. Ltd. Class A	1.69%
Novatek Microelectronics Corp.	1.68%
AIA Group Ltd.	1.63%
Shenzhou International Group Holdings Ltd.	1.63%
Yum China Holdings Inc.	1.58%
Chongqing Brewery Co. Ltd. Class A	1.54%

*The issuer of this security is a related company to the issuer of the Fund.

Sustainable Emerging Markets Equity Fund 2.36JPM

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Net Assets Attributable to Contractholders by Category (note 1)

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
75/75 guarantee policy	657	—	—	—	—	7	—	—	—	—

Net Assets Attributable to Contractholders Per Unit (notes 1, 7)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
75/75 guarantee policy	9.94	—	—	—	—	9.94	—

Sustainable Emerging Markets Equity Fund 2.36JPM

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Sustainable Emerging Markets Equity Fund 2.36JPM (the Fund) is offered by The Canada Life Assurance Company (Canada Life or the Company). The Fund commenced on October 23, 2023 and as a result does not have comparative figures for the prior years.

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

Sustainable Emerging Markets Equity Fund 2.36JPM

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

Sustainable Emerging Markets Equity Fund 2.36JPM

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in note 9 on Financial Instrument Risk Management.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

Sustainable Emerging Markets Equity Fund 2.36JPM

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Investment Fund Units

Investment fund units are recorded at fair value, which is the closing net asset value (NAV) per unit of the underlying fund.

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Sustainable Emerging Markets Equity Fund 2.36JPM

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

Sustainable Emerging Markets Equity Fund 2.36JPM

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

k) Income Allocation

Net gain (loss) on investments, which includes realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the NAV per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

3. INVESTMENT FUND UNITS

Investment fund units of the Fund invest solely in underlying mutual funds.

As the Fund's assets are invested in underlying investment funds, the Fund indirectly pays management fees and operating expenses of the underlying funds. All such charges are included in the management expense ratio of the segregated funds.

Distributions of income from the underlying investment funds are shown as net gain (loss) on investments on the Statement of Comprehensive Income.

Investment activity of the underlying fund indirectly exposes the Fund to financial risk. See note 9 on Financial Instrument Risk Management.

Investments in unconsolidated structured entities

The Company has determined that the Fund meets the definition of an investment entity and as such, accounts for its holdings in unlisted open-ended investment funds at FVTPL. The Company has concluded that the underlying funds in which the Fund invests, but do not consolidate, meet the definition of structured entities because: (i) the voting rights in the underlying funds are not dominant rights in deciding who controls them; (ii) each underlying fund's activities are restricted by its prospectus; and (iii) the underlying funds have narrow and well-defined objectives to provide investment opportunities to investors.

Sustainable Emerging Markets Equity Fund 2.36JPM

Notes to the Financial Statements

(in Canadian \$ thousands)

4. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

The categories of units, and the various levels within each, are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

Sustainable Emerging Markets Equity Fund 2.36JPM

Notes to the Financial Statements

(in Canadian \$ thousands)

5. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

6. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

7. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

The NAV per unit for group contractholders has not been shown because it will vary for each sub-class within the group contractholder class based on negotiated expense levels and other factors.

Sustainable Emerging Markets Equity Fund 2.36JPM

Notes to the Financial Statements

(in Canadian \$ thousands)

8. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.

Sustainable Emerging Markets Equity Fund 2.36JPM

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT

a) Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023. The following sections describe the significant risks that are relevant to the Fund.

To assist with managing risk, the Fund Manager maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and securities regulations. Financial statements for the underlying funds, which include discussions about their respective risk exposure, are available upon request.

b) Liquidity Risk

Liquidity risk arises when a Fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units. As the Fund primarily invests all of its net assets in the underlying funds, liquidity risk is mitigated by the underlying funds' ability to meet the obligation to fund daily cash redemptions of their redeemable units/shares. In addition, the underlying funds retain sufficient cash and cash equivalent positions to maintain adequate liquidity.

c) Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The Fund's investments in all underlying funds are denominated in Canadian dollars. However, the Fund is indirectly exposed to currency risk to the extent that the investments of the underlying funds are denominated or traded in a foreign currency.

d) Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund does not directly hold any interest-bearing financial instruments. The Fund is indirectly exposed to the risk that the value of interest-bearing financial instruments held by the underlying funds will fluctuate due to changes in the prevailing levels of market interest rates.

e) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund has no direct exposure to credit risk. The greatest indirect concentration of credit risk is in debt securities, such as bonds, held by underlying funds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer.

f) Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. For the instruments held by the Fund, maximum risk of loss is equivalent to their fair value. The Fund Manager moderates this risk through a careful selection of underlying funds within the parameters of the investment strategy.

g) Fair Value Classification

Investment Fund Units are recorded at fair value, which is the closing NAV per unit of the underlying fund. This valuation is considered to be a Level 1 classification.

Sustainable Emerging Markets Equity Fund 2.36JPM

Supplemental Information *(unaudited)*

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾⁽³⁾

For the years ended December 31	2023	2022	2021	2020	2019
75/75 guarantee policy	3.33	—	—	—	—

Portfolio Turnover Rate (%) ⁽²⁾⁽³⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	13.82	—	—	—	—

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

(3) The Fund commenced on October 23, 2023 and as a result does not have comparative figures for the prior years.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
CONSERVATIVE ALLOCATION FUND S-626

December 31, 2023

Independent Auditor's Report

To the Contractholders of Conservative Allocation Fund S-626 (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

Conservative Allocation Fund S-626

(in Canadian \$ thousands)

Fund Manager: Portfolio Solutions Group, a division of Canada Life Investment Management Ltd.

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ —	\$ —
Investment income due and accrued	—	—
Due from The Canada Life Assurance Company (note 8)	—	—
Due from brokers	—	—
Due from outside parties	—	—
Investments		
Investment fund units (note 3)	623,659	632,658
Total investments	623,659	632,658
Total assets	\$ 623,659	\$ 632,658
Liabilities		
Overdrafts	\$ —	\$ —
Due to The Canada Life Assurance Company (note 8)	—	—
Due to brokers	—	—
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	—	—
Net assets attributable to contractholders	\$ 623,659	\$ 632,658

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 50,253	\$ (54,932)
Miscellaneous income (loss)	—	—
Total income (loss)	50,253	(54,932)
Expenses		
Management fees (note 8)	13,756	14,270
Other	1,476	1,522
Total expenses	15,232	15,792
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 35,021	\$ (70,724)

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year		
	\$ 632,658	\$ 697,118
Contractholder deposits	82,616	106,613
Contractholder withdrawals	(126,636)	(100,349)
Increase (decrease) in net assets from operations attributable to contractholders	35,021	(70,724)
Change in net assets attributable to contractholders	(8,999)	(64,460)
Net assets attributable to contractholders - end of year	\$ 623,659	\$ 632,658

Conservative Allocation Fund S-626

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 35,021	\$ (70,724)
Adjustments		
Realized (gains) losses	(5,394)	(5,101)
Unrealized (gains) losses	(44,859)	60,033
Gross proceeds of disposition of investments	88,631	73,966
Gross payments for the purchase of investments	(29,379)	(64,438)
	<u>44,020</u>	<u>(6,264)</u>
Financing Activities		
Contractholder deposits	82,616	106,613
Contractholder withdrawals	(126,636)	(100,349)
	<u>(44,020)</u>	<u>6,264</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	—	—
Cash, short-term deposits and overdrafts, beginning of year	—	—
Cash, short-term deposits and overdrafts, end of year	<u>\$ —</u>	<u>\$ —</u>

Conservative Allocation Fund S-626

Schedule of Investment Portfolio

(in Canadian \$ thousands)

As at December 31, 2023

	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units		
American Equity Fund (BG) SF562	9,650	12,453
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Amgen Inc.	5.33%	
Qualcomm Inc.	4.96%	
NetApp Inc.	4.89%	
American Express Co.	4.77%	
Omnicom Group Inc.	4.43%	
American Growth Fund (AGF) SF247	10,470	13,609
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Cash and short-term deposits	8.51%	
Amazon.com Inc.	7.41%	
NVIDIA Corp.	4.36%	
Palo Alto Networks Inc.	4.06%	
Eli Lilly and Co.	3.94%	
Canadian Equity Fund S-285LL	13,926	18,914
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Royal Bank of Canada	6.88%	
The Toronto-Dominion Bank	6.07%	
Mackenzie US Large Cap Index ETF *	4.42%	
Canadian Natural Resources Ltd.	3.97%	
Bank of Montreal	3.94%	
Core Bond Fund (PIM) SF531	73,741	74,587
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Government of Canada 2.75% 06-01-2033	9.86%	
Province of Ontario 3.65% 06-02-2033	8.71%	
Province of Quebec 4.40% 12-01-2055	3.28%	
Province of Quebec 3.60% 09-01-2033	2.81%	
United States Treasury Inflation Index 0.50% 04-15-2024 Real Return	2.52%	
Corporate Bond Fund (PIM) SF817	40,428	44,354
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Mackenzie Canadian All Corporate Bond Index ETF *	1.79%	
Reliance LP 2.67% 08-01-2028	1.43%	
The Bank of Nova Scotia 1.95% 01-10-2025	1.41%	
The Toronto-Dominion Bank 4.68% 01-08-2029	1.38%	
Enbridge Inc. 5.375% 09-27-2077	1.37%	

*The issuer of this security is a related company to the issuer of the Fund.

Conservative Allocation Fund S-626

Schedule of Investment Portfolio

(in Canadian \$ thousands)

As at December 31, 2023

	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units (continued)		
Emerging Markets Fund (P) SF537	10,784	9,377
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
iShares MSCI India ETF	10.93%	
Taiwan Semiconductor Manufacturing Co. Ltd. ADR	10.78%	
Samsung Electronics Co. Ltd.	6.20%	
Tencent Holdings Ltd.	5.73%	
ICICI Bank Ltd.	5.32%	
Enhanced Dividend Fund (Laketon) SF039	8,855	12,623
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Royal Bank of Canada	8.25%	
Bank of Montreal	6.23%	
The Toronto-Dominion Bank	5.94%	
TELUS Corp.	4.50%	
Canadian Natural Resources Ltd.	4.49%	
Global Dividend Fund (SAM) SF528	10,306	12,461
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
CRH PLC	4.21%	
DCC PLC	3.99%	
Sanofi SA	3.79%	
Novartis AG	3.75%	
Allianz SE	3.57%	
Global Future Fund S-183MF	13,236	15,439
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Schneider Electric SE	4.23%	
Microsoft Corp.	4.19%	
Roper Technologies Inc.	4.04%	
Cash and short-term deposits	3.76%	
Accenture PLC Class A	3.68%	
Global Infrastructure Equity Fund (London Capital) SF515	9,364	12,379
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Aena SM	5.92%	
Iberdrola SA	3.79%	
Enel SPA	3.69%	
NextEra Energy Inc.	3.32%	
Transurban Group Stapled Security	3.24%	

Conservative Allocation Fund S-626

Schedule of Investment Portfolio

(in Canadian \$ thousands)

As at December 31, 2023

	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units (continued)		
Global Unconstrained Fund (Mackenzie) SF530	23,886	27,186
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Cash and short-term deposits	3.34%	
United States Treasury Inflation Index 0.50% 04-15-2024 Real Return	2.58%	
United States Treasury 0.13% 07-15-2024 Inflation Indexed	2.42%	
Mackenzie Canadian All Corporate Bond Index ETF *	2.38%	
United States Treasury 3.50% 02-15-2033	1.95%	
International Bond Fund (Laketon) SF036	20,436	20,194
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Buoni del Tesoro Poliennali 1.25% 12-01-2026	4.17%	
Government of Japan 0.40% 09-20-2025	2.81%	
Buoni del Tesoro Poliennali 0.35% 02-01-2025	2.73%	
United States Treasury 1.375% 08-31-2026	2.42%	
United States Treasury 2.75% 11-15-2042	2.41%	
International Opportunity Fund (JPM) SF556	6,614	6,863
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
ASML Holding NV	5.35%	
Nestle SA	5.19%	
Novo Nordisk AS	4.52%	
LVMH Moet Hennessy Louis Vuitton SE	3.48%	
Air Liquide SA	3.01%	
Long Term Bond Fund (PIM) SF818	12,829	12,474
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Government of Canada 2.00% 12-01-2051	3.22%	
Government of Canada 1.75% 12-01-2053	2.56%	
Province of Ontario 2.90% 12-02-2046	2.47%	
Province of Ontario 3.75% 12-02-2053	2.40%	
Province of Ontario 3.45% 06-02-2045	2.35%	
Pathways Canadian Equity Fund (GWLIM) SF543	19,432	25,173
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Royal Bank of Canada	7.64%	
The Toronto-Dominion Bank	6.60%	
Bank of Montreal	4.89%	
Canadian Natural Resources Ltd.	4.03%	
Canadian Pacific Kansas City Ltd.	3.70%	

*The issuer of this security is a related company to the issuer of the Fund.

Conservative Allocation Fund S-626

Schedule of Investment Portfolio

(in Canadian \$ thousands)

As at December 31, 2023

	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units (continued)		
Pathways Emerging Markets Equity Fund (Northcape) SF550	9,204	9,430
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Taiwan Semiconductor Manufacturing Co. Ltd. ADR	8.10%	
Samsung Electronics Co. Ltd.	7.50%	
Fomento Economico Mexicano SAB de CV (FEMSA) ADR	5.97%	
Maruti Suzuki India Ltd.	5.30%	
HDFC Bank Ltd. ADR	4.90%	
Pathways Global Multi Sector Bond Fund (Brandywine) SF542	20,496	20,084
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
United States Treasury Floating Rate 01-31-2025	21.14%	
Cash and short-term deposits	6.08%	
United Kingdom Gilt 3.75% 10-22-2053	5.77%	
United Mexican States 8.00% 07-31-2053	4.47%	
Republic of Columbia 7.00% 03-26-2031	3.79%	
Pathways International Equity Fund (Setanta) SF547	9,314	10,640
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
DCC PLC	6.18%	
Samsung Electronics Co. Ltd.	5.37%	
Ryanair Holdings PLC ADR	5.23%	
Alcon Inc.	4.83%	
EssilorLuxottica SA	4.65%	
Private Credit Fund 1.76NL	4,137	4,786
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Any Hour Services 6.50% 07-21-2027	3.51%	
Beacon Mobility 6.13% 12-31-2025	3.42%	
Apex Service Partners 5.50% 07-31-2025	2.84%	
Nordic Capital Fund X 5.25% 07-03-2028	2.65%	
Hg Mercury 3 A LP 7.25% 10-07-2027	2.59%	
Real Estate Fund (GWLRA) SF353	32,231	40,227
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Laird Business Park	5.84%	
Livmore High Park	4.88%	
High Park Village - West Tower	4.67%	
Grenadier Square	4.00%	
Cash and short-term deposits	3.96%	

Conservative Allocation Fund S-626

Schedule of Investment Portfolio

(in Canadian \$ thousands)

As at December 31, 2023

	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units (continued)		
Real Return Bond Fund (PIM) SF820	19,482	19,572
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Government of Canada 4.00% 12-01-2031 Real Return	14.57%	
Government of Canada 1.50% 12-01-2044 Real Return	13.33%	
Government of Canada 2.00% 12-01-2041 Real Return	12.52%	
Government of Canada 3.00% 12-01-2036 Real Return	12.31%	
Government of Canada 1.25% 12-01-2047 Real Return	11.89%	
Short Term Bond Fund (PIM) SF816	36,169	37,231
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Province of Ontario 3.60% 03-08-2028	11.91%	
Government of Canada 3.25% 09-01-2028	7.29%	
Canada Housing Trust No. 1 1.25% 06-15-2026	6.89%	
Province of Ontario 3.40% 09-08-2028	3.71%	
Province of Quebec 2.75% 09-01-2025	3.70%	
Tactical Bond Fund (PIM) SF558	139,733	133,333
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Province of Ontario 3.65% 06-02-2033	7.05%	
Government of Canada 2.75% 06-01-2033	6.11%	
Province of Quebec 4.40% 12-01-2055	4.15%	
United States Treasury Inflation Index 0.50% 04-15-2024 Real Return	2.63%	
Mackenzie Canadian Aggregate Bond Index ETF *	2.45%	
U.S. Growth Leaders Fund S-286MF	10,678	12,329
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Microsoft Corp.	9.97%	
Apple Inc.	9.58%	
Amazon.com Inc.	6.75%	
NVIDIA Corp.	5.29%	
Alphabet Inc. Class C	4.67%	
U.S. Property Fund 1.80EW	2,318	2,289
<i>Top Holdings:</i>	<i>% of Total</i>	
Canada Life US Property Feeder III LP *	99.69%	
Cash and short-term deposits	0.31%	

*The issuer of this security is a related company to the issuer of the Fund.

Conservative Allocation Fund S-626

Schedule of Investment Portfolio

(in Canadian \$ thousands)

As at December 31, 2023

	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units (continued)		
U.S. Value Fund S-178LL	9,385	15,652
<u>Top 5 Holdings:</u>	<u>% of Total</u>	
JPMorgan Chase & Co.	3.60%	
Berkshire Hathaway Inc. Class B	2.30%	
Bank of America Corp.	2.16%	
Johnson & Johnson Inc.	2.06%	
Intel Corp.	2.05%	
Total Investments	577,104	623,659

Conservative Allocation Fund S-626

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Net Assets Attributable to Contractholders by Category

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
Generations/Mosaic	1,175,473	1,472,879	1,696,650	2,024,494	2,199,981	19,006	22,578	28,978	34,020	35,548
Generations I	1,711,594	2,121,191	2,505,822	3,105,409	3,509,562	24,707	28,997	38,124	46,434	50,404
Generations II	93,460	101,335	131,670	177,613	173,335	1,238	1,274	1,846	2,453	2,305
Generations Core	369,102	448,163	583,064	687,032	798,119	5,109	5,858	8,459	9,769	10,870
75/75 guarantee policy	6,791,252	6,927,998	7,415,507	6,462,480	3,542,255	91,031	87,700	104,185	88,988	46,721
75/100 guarantee policy	22,848,905	23,574,060	22,919,004	18,189,419	8,945,719	300,247	293,359	317,419	247,584	116,954
100/100 guarantee policy	634,725	699,329	772,245	747,337	485,822	8,154	8,527	10,503	10,011	6,265
PS1 75/75 guarantee policy	2,835,027	2,766,581	2,814,260	2,449,075	1,131,634	37,183	34,186	38,504	32,763	14,466
PS1 75/100 guarantee policy	8,009,007	9,122,463	8,291,523	6,229,744	3,241,885	103,726	111,435	112,269	82,567	41,103
PS1 100/100 guarantee policy	455,438	521,212	527,570	547,229	495,587	5,811	6,279	7,053	7,169	6,218
PS2 75/75 guarantee policy	163,158	464,930	102,036	110,953	181,581	2,749	7,221	1,717	1,786	2,734
PS2 75/100 guarantee policy	283,671	453,175	634,069	300,121	199,173	4,779	7,038	10,668	4,831	2,999
PS2 100/100 guarantee policy	111,772	117,926	124,005	176,117	182,438	1,882	1,830	2,085	2,833	2,745
PS 75/75 guarantee policy	254,707	302,215	389,123	399,501	202,907	2,860	3,170	4,480	4,458	2,145
PS 75/100 guarantee policy	913,770	884,069	560,614	492,327	185,535	10,107	9,159	6,393	5,457	1,954
PS 100/100 guarantee policy	4,256	7,462	10,361	12,829	—	47	77	117	141	—
PPS 75/75 guarantee policy	165,384	83,277	36,401	56,289	—	1,882	883	423	632	—
PPS 75/100 guarantee policy	277,726	292,617	336,798	594,284	80,159	3,141	3,087	3,895	6,654	849

Net Assets Attributable to Contractholders Per Unit (note 7)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
Generations/Mosaic	16.17	15.33	17.08	16.80	16.16	0.84	(1.75)
Generations I	14.44	13.67	15.21	14.95	14.36	0.77	(1.54)
Generations II	13.25	12.57	14.02	13.81	13.30	0.68	(1.45)
Generations Core	13.84	13.07	14.51	14.22	13.62	0.77	(1.44)
75/75 guarantee policy	13.40	12.66	14.05	13.77	13.19	0.74	(1.39)
75/100 guarantee policy	13.14	12.44	13.85	13.61	13.07	0.70	(1.41)
100/100 guarantee policy	12.85	12.19	13.60	13.40	12.90	0.66	(1.41)
PS1 75/75 guarantee policy	13.12	12.36	13.68	13.38	12.78	0.76	(1.32)
PS1 75/100 guarantee policy	12.95	12.22	13.54	13.25	12.68	0.73	(1.32)
PS1 100/100 guarantee policy	12.76	12.05	13.37	13.10	12.55	0.71	(1.32)
PS2 75/75 guarantee policy	16.85	15.53	16.83	16.10	15.06	1.32	(1.30)
PS2 75/100 guarantee policy	16.85	15.53	16.83	16.10	15.06	1.32	(1.30)
PS2 100/100 guarantee policy	16.83	15.52	16.81	16.09	15.05	1.31	(1.29)
PS 75/75 guarantee policy	11.23	10.49	11.51	11.16	10.57	0.74	(1.02)
PS 75/100 guarantee policy	11.06	10.36	11.40	11.08	10.53	0.70	(1.04)
PS 100/100 guarantee policy	10.93	10.26	11.32	11.02	—	0.67	(1.06)
PPS 75/75 guarantee policy	11.38	10.60	11.61	11.23	—	0.78	(1.01)
PPS 75/100 guarantee policy	11.31	10.55	11.57	11.20	10.59	0.76	(1.02)

Conservative Allocation Fund S-626

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Conservative Allocation Fund S-626 (the Fund) is offered by The Canada Life Assurance Company (Canada Life or the Company).

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

Conservative Allocation Fund S-626

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

Conservative Allocation Fund S-626

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in note 9 on Financial Instrument Risk Management.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

Conservative Allocation Fund S-626

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Investment Fund Units

Investment fund units are recorded at fair value, which is the closing net asset value (NAV) per unit of the underlying fund.

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Conservative Allocation Fund S-626

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

Conservative Allocation Fund S-626

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

k) Income Allocation

Net gain (loss) on investments, which includes realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the NAV per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

3. INVESTMENT FUND UNITS

Investment fund units of the Fund invest solely in units of other segregated investment funds of Canada Life. Units are valued based on the closing unit values of the underlying funds.

Investment activity of the underlying fund indirectly exposes the Fund to financial risk. See note 9 on Financial Instrument Risk Management.

Conservative Allocation Fund S-626

Notes to the Financial Statements

(in Canadian \$ thousands)

4. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Emperor,
- Flex,
- Generations/Mosaic,
- Generations I,
- Generations II,
- Generations Core,
- Prestige/Prestige Plus, and
- Private Collections.

In addition to the Individual units, units are available for:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

The categories of units are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

Conservative Allocation Fund S-626

Notes to the Financial Statements

(in Canadian \$ thousands)

5. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

6. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

7. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

Conservative Allocation Fund S-626

Notes to the Financial Statements

(in Canadian \$ thousands)

8. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.
- c) The Fund invests in assets or underlying funds managed by Canada Life Investment Management Ltd. All investment transactions with the corresponding underlying funds are at quoted market prices.

Conservative Allocation Fund S-626

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT

a) Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023. The following sections describe the significant risks that are relevant to the Fund.

The Fund employs a passive investment strategy whereby investments in underlying funds are based on target asset weightings. The target weightings allocated to each underlying fund and the selection of underlying funds are based on several factors, including impact to the Fund's volatility and asset class diversification. Significant changes to the selection of underlying funds or the target asset weightings attributed to each underlying fund require contractholder notification. To assist with managing risk, the Fund Manager also maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and other regulations. Financial statements for the underlying funds, which include discussions about their respective risk exposure, are available upon request.

b) Liquidity Risk

Liquidity risk arises when a Fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units. As the Fund primarily invests all of its net assets in the underlying funds, liquidity risk is mitigated by the underlying funds' ability to meet the obligation to fund daily cash redemptions of their redeemable units/shares. In addition, the underlying funds retain sufficient cash and cash equivalent positions to maintain adequate liquidity.

c) Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The Fund's investments in all underlying funds are denominated in Canadian dollars. However, the Fund is indirectly exposed to currency risk to the extent that the investments of the underlying funds are denominated or traded in a foreign currency.

d) Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund does not directly hold any interest-bearing financial instruments. The Fund is indirectly exposed to the risk that the value of interest-bearing financial instruments held by the underlying funds will fluctuate due to changes in the prevailing levels of market interest rates.

e) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund has no direct exposure to credit risk. The greatest indirect concentration of credit risk is in debt securities, such as bonds, held by underlying funds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer. The carrying amount of debt investments represents the maximum credit risk exposure as at December 31, 2023.

f) Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. For the instruments held by the Fund, maximum risk of loss is equivalent to their fair value. The Fund Manager moderates this risk through a careful selection of underlying funds within the parameters of the investment strategy.

Conservative Allocation Fund S-626

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT (continued)

g) Fair Value Classification

Investment Fund Units are recorded at fair value, which is the closing NAV per unit of the underlying fund. This valuation is considered to be a Level 2 classification.

Conservative Allocation Fund S-626

Supplemental Information (unaudited)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾

For the years ended December 31	2023	2022	2021	2020	2019
Generations/Mosaic	2.80	2.80	2.80	2.78	2.77
Generations I	2.69	2.69	2.69	2.67	2.66
Generations II	2.91	2.92	2.91	2.89	2.88
Generations Core	2.41	2.42	2.41	2.39	2.39
75/75 guarantee policy	2.41	2.41	2.41	2.39	2.39
75/100 guarantee policy	2.69	2.69	2.68	2.66	2.66
100/100 guarantee policy	2.91	2.91	2.91	2.88	2.88
PS1 75/75 guarantee policy	2.17	2.17	2.17	2.15	2.15
PS1 75/100 guarantee policy	2.28	2.28	2.28	2.26	2.26
PS1 100/100 guarantee policy	2.39	2.39	2.39	2.37	2.37
PS 75/75 guarantee policy	1.31	1.31	1.31	1.29	1.28
PS 75/100 guarantee policy	1.58	1.58	1.58	1.56	1.54
PS 100/100 guarantee policy	1.80	1.81	1.81	1.79	—
PPS 75/75 guarantee policy	1.07	1.06	1.07	1.05	—
PPS 75/100 guarantee policy	1.18	1.18	1.18	1.16	1.15

Portfolio Turnover Rate (%) ⁽²⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	4.71	9.99	30.11	47.50	10.67

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
MODERATE ALLOCATION FUND S-627

December 31, 2023

Independent Auditor's Report

To the Contractholders of Moderate Allocation Fund S-627 (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

Moderate Allocation Fund S-627

(in Canadian \$ thousands)

Fund Manager: Portfolio Solutions Group, a division of Canada Life Investment Management Ltd.

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ —	\$ —
Investment income due and accrued	—	—
Due from The Canada Life Assurance Company (note 8)	—	—
Due from brokers	—	—
Due from outside parties	—	—
Investments		
Investment fund units (note 3)	646,241	589,390
Total investments	646,241	589,390
Total assets	\$ 646,241	\$ 589,390
Liabilities		
Overdrafts	\$ —	\$ —
Due to The Canada Life Assurance Company (note 8)	—	—
Due to brokers	—	—
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	—	—
Net assets attributable to contractholders	\$ 646,241	\$ 589,390

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 54,340	\$ (47,060)
Miscellaneous income (loss)	—	—
Total income (loss)	54,340	(47,060)
Expenses		
Management fees (note 8)	13,548	12,917
Other	1,419	1,345
Total expenses	14,967	14,262
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 39,373	\$ (61,322)

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year	\$ 589,390	\$ 611,026
Contractholder deposits	106,769	110,983
Contractholder withdrawals	(89,291)	(71,297)
Increase (decrease) in net assets from operations attributable to contractholders	39,373	(61,322)
Change in net assets attributable to contractholders	56,851	(21,636)
Net assets attributable to contractholders - end of year	\$ 646,241	\$ 589,390

Moderate Allocation Fund S-627

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 39,373	\$ (61,322)
Adjustments		
Realized (gains) losses	(4,070)	(4,813)
Unrealized (gains) losses	(50,270)	51,873
Gross proceeds of disposition of investments	45,695	44,381
Gross payments for the purchase of investments	(48,206)	(69,805)
	<u>(17,478)</u>	<u>(39,686)</u>
Financing Activities		
Contractholder deposits	106,769	110,983
Contractholder withdrawals	(89,291)	(71,297)
	<u>17,478</u>	<u>39,686</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	—	—
Cash, short-term deposits and overdrafts, beginning of year	—	—
Cash, short-term deposits and overdrafts, end of year	<u>\$ —</u>	<u>\$ —</u>

Moderate Allocation Fund S-627

Schedule of Investment Portfolio

(in Canadian \$ thousands)

As at December 31, 2023

	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units		
American Equity Fund (BG) SF562	11,599	14,942
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Amgen Inc.	5.33%	
Qualcomm Inc.	4.96%	
NetApp Inc.	4.89%	
American Express Co.	4.77%	
Omnicom Group Inc.	4.43%	
American Growth Fund (AGF) SF247	14,358	18,682
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Cash and short-term deposits	8.51%	
Amazon.com Inc.	7.41%	
NVIDIA Corp.	4.36%	
Palo Alto Networks Inc.	4.06%	
Eli Lilly and Co.	3.94%	
Canadian Equity Fund (Laketon) SF009	17,164	20,503
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Royal Bank of Canada	7.72%	
The Toronto-Dominion Bank	6.66%	
Bank of Montreal	4.94%	
Canadian Natural Resources Ltd.	4.07%	
Canadian Pacific Kansas City Ltd.	3.79%	
Canadian Equity Fund S-285LL	13,919	19,562
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Royal Bank of Canada	6.88%	
The Toronto-Dominion Bank	6.07%	
Mackenzie US Large Cap Index ETF *	4.42%	
Canadian Natural Resources Ltd.	3.97%	
Bank of Montreal	3.94%	
Core Bond Fund (PIM) SF531	67,285	68,342
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Government of Canada 2.75% 06-01-2033	9.86%	
Province of Ontario 3.65% 06-02-2033	8.71%	
Province of Quebec 4.40% 12-01-2055	3.28%	
Province of Quebec 3.60% 09-01-2033	2.81%	
United States Treasury Inflation Index 0.50% 04-15-2024 Real Return	2.52%	

*The issuer of this security is a related company to the issuer of the Fund.

Moderate Allocation Fund S-627

Schedule of Investment Portfolio

(in Canadian \$ thousands)

As at December 31, 2023

	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units (continued)		
Corporate Bond Fund (PIM) SF817	29,705	32,393
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Mackenzie Canadian All Corporate Bond Index ETF *	1.79%	
Reliance LP 2.67% 08-01-2028	1.43%	
The Bank of Nova Scotia 1.95% 01-10-2025	1.41%	
The Toronto-Dominion Bank 4.68% 01-08-2029	1.38%	
Enbridge Inc. 5.375% 09-27-2077	1.37%	
Emerging Markets Fund (P) SF537	15,123	13,212
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
iShares MSCI India ETF	10.93%	
Taiwan Semiconductor Manufacturing Co. Ltd. ADR	10.78%	
Samsung Electronics Co. Ltd.	6.20%	
Tencent Holdings Ltd.	5.73%	
ICICI Bank Ltd.	5.32%	
Enhanced Dividend Fund (Laketon) SF039	13,505	19,614
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Royal Bank of Canada	8.25%	
Bank of Montreal	6.23%	
The Toronto-Dominion Bank	5.94%	
TELUS Corp.	4.50%	
Canadian Natural Resources Ltd.	4.49%	
Global Dividend Fund (SAM) SF528	16,119	19,401
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
CRH PLC	4.21%	
DCC PLC	3.99%	
Sanofi SA	3.79%	
Novartis AG	3.75%	
Allianz SE	3.57%	
Global Future Fund S-183MF	23,592	27,372
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Schneider Electric SE	4.23%	
Microsoft Corp.	4.19%	
Roper Technologies Inc.	4.04%	
Cash and short-term deposits	3.76%	
Accenture PLC Class A	3.68%	

*The issuer of this security is a related company to the issuer of the Fund.

Moderate Allocation Fund S-627

Schedule of Investment Portfolio

(in Canadian \$ thousands)

As at December 31, 2023

	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units (continued)		
Global Infrastructure Equity Fund (London Capital) SF515	12,066	16,069
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Aena SM	5.92%	
Iberdrola SA	3.79%	
Enel SPA	3.69%	
NextEra Energy Inc.	3.32%	
Transurban Group Stapled Security	3.24%	
Global Unconstrained Fund (Mackenzie) SF530	17,236	19,393
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Cash and short-term deposits	3.34%	
United States Treasury Inflation Index 0.50% 04-15-2024 Real Return	2.58%	
United States Treasury 0.13% 07-15-2024 Inflation Indexed	2.42%	
Mackenzie Canadian All Corporate Bond Index ETF *	2.38%	
United States Treasury 3.50% 02-15-2033	1.95%	
International Bond Fund (Laketon) SF036	18,130	18,009
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Buoni del Tesoro Poliennali 1.25% 12-01-2026	4.17%	
Government of Japan 0.40% 09-20-2025	2.81%	
Buoni del Tesoro Poliennali 0.35% 02-01-2025	2.73%	
United States Treasury 1.375% 08-31-2026	2.42%	
United States Treasury 2.75% 11-15-2042	2.41%	
International Opportunity Fund (JPM) SF556	10,985	11,355
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
ASML Holding NV	5.35%	
Nestle SA	5.19%	
Novo Nordisk AS	4.52%	
LVMH Moet Hennessy Louis Vuitton SE	3.48%	
Air Liquide SA	3.01%	
Long Term Bond Fund (PIM) SF818	9,950	9,807
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Government of Canada 2.00% 12-01-2051	3.22%	
Government of Canada 1.75% 12-01-2053	2.56%	
Province of Ontario 2.90% 12-02-2046	2.47%	
Province of Ontario 3.75% 12-02-2053	2.40%	
Province of Ontario 3.45% 06-02-2045	2.35%	

*The issuer of this security is a related company to the issuer of the Fund.

Moderate Allocation Fund S-627

Schedule of Investment Portfolio

(in Canadian \$ thousands)

As at December 31, 2023

	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units (continued)		
Pathways Canadian Equity Fund (GWLIM) SF543	15,427	20,495
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Royal Bank of Canada	7.64%	
The Toronto-Dominion Bank	6.60%	
Bank of Montreal	4.89%	
Canadian Natural Resources Ltd.	4.03%	
Canadian Pacific Kansas City Ltd.	3.70%	
Pathways Emerging Markets Equity Fund (Northcape) SF550	13,004	13,358
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Taiwan Semiconductor Manufacturing Co. Ltd. ADR	8.10%	
Samsung Electronics Co. Ltd.	7.50%	
Fomento Economico Mexicano SAB de CV (FEMSA) ADR	5.97%	
Maruti Suzuki India Ltd.	5.30%	
HDFC Bank Ltd. ADR	4.90%	
Pathways Global Multi Sector Bond Fund (Brandywine) SF542	18,151	17,854
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
United States Treasury Floating Rate 01-31-2025	21.14%	
Cash and short-term deposits	6.08%	
United Kingdom Gilt 3.75% 10-22-2053	5.77%	
United Mexican States 8.00% 07-31-2053	4.47%	
Republic of Columbia 7.00% 03-26-2031	3.79%	
Pathways International Equity Fund (Setanta) SF547	11,385	12,970
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
DCC PLC	6.18%	
Samsung Electronics Co. Ltd.	5.37%	
Ryanair Holdings PLC ADR	5.23%	
Alcon Inc.	4.83%	
EssilorLuxottica SA	4.65%	
Private Credit Fund 1.76NL	3,345	3,747
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Any Hour Services 6.50% 07-21-2027	3.51%	
Beacon Mobility 6.13% 12-31-2025	3.42%	
Apex Service Partners 5.50% 07-31-2025	2.84%	
Nordic Capital Fund X 5.25% 07-03-2028	2.65%	
Hg Mercury 3 A LP 7.25% 10-07-2027	2.59%	

Moderate Allocation Fund S-627

Schedule of Investment Portfolio

(in Canadian \$ thousands)

As at December 31, 2023

	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units (continued)		
Real Estate Fund (GWLRA) SF353	37,184	47,389
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Laird Business Park	5.84%	
Livmore High Park	4.88%	
High Park Village - West Tower	4.67%	
Grenadier Square	4.00%	
Cash and short-term deposits	3.96%	
Real Return Bond Fund (PIM) SF820	17,524	16,480
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Government of Canada 4.00% 12-01-2031 Real Return	14.57%	
Government of Canada 1.50% 12-01-2044 Real Return	13.33%	
Government of Canada 2.00% 12-01-2041 Real Return	12.52%	
Government of Canada 3.00% 12-01-2036 Real Return	12.31%	
Government of Canada 1.25% 12-01-2047 Real Return	11.89%	
Short Term Bond Fund (PIM) SF816	12,433	12,822
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Province of Ontario 3.60% 03-08-2028	11.91%	
Government of Canada 3.25% 09-01-2028	7.29%	
Canada Housing Trust No. 1 1.25% 06-15-2026	6.89%	
Province of Ontario 3.40% 09-08-2028	3.71%	
Province of Quebec 2.75% 09-01-2025	3.70%	
Tactical Bond Fund (PIM) SF558	136,794	131,938
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Province of Ontario 3.65% 06-02-2033	7.05%	
Government of Canada 2.75% 06-01-2033	6.11%	
Province of Quebec 4.40% 12-01-2055	4.15%	
United States Treasury Inflation Index 0.50% 04-15-2024 Real Return	2.63%	
Mackenzie Canadian Aggregate Bond Index ETF *	2.45%	
U.S. Growth Leaders Fund S-286MF	12,761	14,779
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Microsoft Corp.	9.97%	
Apple Inc.	9.58%	
Amazon.com Inc.	6.75%	
NVIDIA Corp.	5.29%	
Alphabet Inc. Class C	4.67%	

*The issuer of this security is a related company to the issuer of the Fund.

Moderate Allocation Fund S-627

Schedule of Investment Portfolio

(in Canadian \$ thousands)

As at December 31, 2023

	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units (continued)		
U.S. Property Fund 1.80EW	2,318	2,289
<i>Top Holdings:</i>	<i>% of Total</i>	
Canada Life US Property Feeder III LP *	99.69%	
Cash and short-term deposits	0.31%	
U.S. Value Fund S-178LL	13,805	23,464
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
JPMorgan Chase & Co.	3.60%	
Berkshire Hathaway Inc. Class B	2.30%	
Bank of America Corp.	2.16%	
Johnson & Johnson Inc.	2.06%	
Intel Corp.	2.05%	
Total Investments	584,867	646,241

*The issuer of this security is a related company to the issuer of the Fund.

Moderate Allocation Fund S-627

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Net Assets Attributable to Contractholders by Category

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
Generations/Mosaic	1,249,642	1,455,720	1,726,522	2,076,042	2,403,594	22,585	24,797	32,764	37,943	42,554
Generations I	911,178	1,229,770	1,498,398	1,849,132	2,097,379	14,338	18,209	24,676	29,279	32,117
Generations II	86,564	98,701	108,789	116,780	125,585	1,236	1,329	1,633	1,689	1,760
Generations Core	256,342	299,892	335,481	356,510	399,948	3,818	4,191	5,200	5,299	5,733
75/75 guarantee policy	5,166,443	4,961,797	4,722,513	3,267,978	1,824,891	77,356	69,715	73,596	48,832	26,300
75/100 guarantee policy	19,824,579	19,317,621	17,467,658	13,206,776	8,106,996	290,732	266,578	268,097	194,893	115,701
100/100 guarantee policy	557,287	584,811	556,502	484,987	380,262	7,998	7,915	8,395	7,050	5,358
PS1 75/75 guarantee policy	3,153,945	2,606,841	2,179,091	1,311,038	577,605	45,804	35,462	32,818	18,898	8,015
PS1 75/100 guarantee policy	8,298,273	8,203,395	7,483,539	4,512,698	2,434,714	119,065	110,373	111,596	64,478	33,527
PS1 100/100 guarantee policy	423,892	388,288	355,754	198,102	177,003	5,951	5,120	5,208	2,783	2,401
PS2 75/75 guarantee policy	777,818	377,463	298,391	264,279	138,879	14,664	6,515	5,574	4,618	2,285
PS2 75/100 guarantee policy	863,228	880,022	975,084	952,013	776,166	16,299	15,214	18,242	16,663	12,790
PS2 100/100 guarantee policy	—	—	—	—	8,000	—	—	—	—	132
PS 75/75 guarantee policy	256,797	332,517	610,943	519,459	178,151	2,964	3,562	7,179	5,789	1,894
PS 75/100 guarantee policy	1,054,627	978,982	812,252	303,530	77,108	11,991	10,359	9,454	3,360	816
PPS 75/75 guarantee policy	489,138	366,385	133,425	118,778	80,653	5,702	3,957	1,578	1,330	860
PPS 75/100 guarantee policy	495,055	566,861	425,607	42,229	—	5,738	6,094	5,016	472	—

Net Assets Attributable to Contractholders Per Unit (note 7)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
Generations/Mosaic	18.07	17.03	18.98	18.28	17.70	1.04	(1.95)
Generations I	15.74	14.81	16.47	15.83	15.31	0.93	(1.66)
Generations II	14.28	13.46	15.01	14.46	14.02	0.82	(1.55)
Generations Core	14.89	13.98	15.50	14.86	14.34	0.91	(1.52)
75/75 guarantee policy	14.97	14.05	15.58	14.94	14.41	0.92	(1.53)
75/100 guarantee policy	14.67	13.80	15.35	14.76	14.27	0.87	(1.55)
100/100 guarantee policy	14.35	13.53	15.09	14.54	14.09	0.82	(1.56)
PS1 75/75 guarantee policy	14.52	13.60	15.06	14.41	13.88	0.92	(1.46)
PS1 75/100 guarantee policy	14.35	13.45	14.91	14.29	13.77	0.90	(1.46)
PS1 100/100 guarantee policy	14.04	13.19	14.64	14.05	13.56	0.85	(1.45)
PS2 75/75 guarantee policy	18.85	17.26	18.68	17.48	16.45	1.59	(1.42)
PS2 75/100 guarantee policy	18.88	17.29	18.71	17.50	16.48	1.59	(1.42)
PS2 100/100 guarantee policy	—	—	—	—	16.45	—	—
PS 75/75 guarantee policy	11.54	10.71	11.75	11.14	10.63	0.83	(1.04)
PS 75/100 guarantee policy	11.37	10.58	11.64	11.07	10.59	0.79	(1.06)
PPS 75/75 guarantee policy	11.66	10.80	11.83	11.19	10.66	0.86	(1.03)
PPS 75/100 guarantee policy	11.59	10.75	11.78	11.17	—	0.84	(1.03)

Moderate Allocation Fund S-627

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Moderate Allocation Fund S-627 (the Fund) is offered by The Canada Life Assurance Company (Canada Life or the Company).

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

Moderate Allocation Fund S-627

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

Moderate Allocation Fund S-627

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in note 9 on Financial Instrument Risk Management.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

Moderate Allocation Fund S-627

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Investment Fund Units

Investment fund units are recorded at fair value, which is the closing net asset value (NAV) per unit of the underlying fund.

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Moderate Allocation Fund S-627

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

Moderate Allocation Fund S-627

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

k) Income Allocation

Net gain (loss) on investments, which includes realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the NAV per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

3. INVESTMENT FUND UNITS

Investment fund units of the Fund invest solely in units of other segregated investment funds of Canada Life. Units are valued based on the closing unit values of the underlying funds.

Investment activity of the underlying fund indirectly exposes the Fund to financial risk. See note 9 on Financial Instrument Risk Management.

Moderate Allocation Fund S-627

Notes to the Financial Statements

(in Canadian \$ thousands)

4. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Emperor,
- Flex,
- Generations/Mosaic,
- Generations I,
- Generations II,
- Generations Core,
- Prestige/Prestige Plus, and
- Private Collections.

In addition to the Individual units, units are available for:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

The categories of units are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

Moderate Allocation Fund S-627

Notes to the Financial Statements

(in Canadian \$ thousands)

5. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

6. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

7. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

Moderate Allocation Fund S-627

Notes to the Financial Statements

(in Canadian \$ thousands)

8. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.
- c) The Fund invests in assets or underlying funds managed by Canada Life Investment Management Ltd. All investment transactions with the corresponding underlying funds are at quoted market prices.

Moderate Allocation Fund S-627

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT

a) Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023. The following sections describe the significant risks that are relevant to the Fund.

The Fund employs a passive investment strategy whereby investments in underlying funds are based on target asset weightings. The target weightings allocated to each underlying fund and the selection of underlying funds are based on several factors, including impact to the Fund's volatility and asset class diversification. Significant changes to the selection of underlying funds or the target asset weightings attributed to each underlying fund require contractholder notification. To assist with managing risk, the Fund Manager also maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and other regulations. Financial statements for the underlying funds, which include discussions about their respective risk exposure, are available upon request.

b) Liquidity Risk

Liquidity risk arises when a Fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units. As the Fund primarily invests all of its net assets in the underlying funds, liquidity risk is mitigated by the underlying funds' ability to meet the obligation to fund daily cash redemptions of their redeemable units/shares. In addition, the underlying funds retain sufficient cash and cash equivalent positions to maintain adequate liquidity.

c) Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The Fund's investments in all underlying funds are denominated in Canadian dollars. However, the Fund is indirectly exposed to currency risk to the extent that the investments of the underlying funds are denominated or traded in a foreign currency.

d) Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund does not directly hold any interest-bearing financial instruments. The Fund is indirectly exposed to the risk that the value of interest-bearing financial instruments held by the underlying funds will fluctuate due to changes in the prevailing levels of market interest rates.

e) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund has no direct exposure to credit risk. The greatest indirect concentration of credit risk is in debt securities, such as bonds, held by underlying funds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer. The carrying amount of debt investments represents the maximum credit risk exposure as at December 31, 2023.

f) Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. For the instruments held by the Fund, maximum risk of loss is equivalent to their fair value. The Fund Manager moderates this risk through a careful selection of underlying funds within the parameters of the investment strategy.

Moderate Allocation Fund S-627

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT (continued)

g) Fair Value Classification

Investment Fund Units are recorded at fair value, which is the closing NAV per unit of the underlying fund. This valuation is considered to be a Level 2 classification.

Moderate Allocation Fund S-627

Supplemental Information (unaudited)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾

For the years ended December 31	2023	2022	2021	2020	2019
Generations/Mosaic	2.90	2.91	2.90	2.87	2.87
Generations I	2.74	2.74	2.74	2.70	2.70
Generations II	2.96	2.96	2.95	2.92	2.92
Generations Core	2.46	2.46	2.46	2.43	2.43
75/75 guarantee policy	2.46	2.46	2.45	2.42	2.43
75/100 guarantee policy	2.74	2.74	2.73	2.70	2.70
100/100 guarantee policy	2.96	2.96	2.95	2.92	2.92
PS1 75/75 guarantee policy	2.28	2.28	2.27	2.24	2.24
PS1 75/100 guarantee policy	2.39	2.39	2.38	2.35	2.35
PS1 100/100 guarantee policy	2.55	2.55	2.54	2.52	2.52
PS 75/75 guarantee policy	1.36	1.37	1.35	1.33	1.33
PS 75/100 guarantee policy	1.63	1.63	1.62	1.60	1.60
PPS 75/75 guarantee policy	1.18	1.17	1.17	1.15	1.15
PPS 75/100 guarantee policy	1.29	1.28	1.27	1.25	—

Portfolio Turnover Rate (%) ⁽²⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	7.41	7.59	32.14	50.98	10.04

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
BALANCED ALLOCATION FUND S-628

December 31, 2023

Independent Auditor's Report

To the Contractholders of Balanced Allocation Fund S-628 (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

Balanced Allocation Fund S-628

(in Canadian \$ thousands)

Fund Manager: Portfolio Solutions Group, a division of Canada Life Investment Management Ltd.

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ —	\$ —
Investment income due and accrued	—	—
Due from The Canada Life Assurance Company (note 8)	—	—
Due from brokers	—	—
Due from outside parties	—	—
Investments		
Investment fund units (note 3)	1,143,409	1,016,620
Total investments	1,143,409	1,016,620
Total assets	\$ 1,143,409	\$ 1,016,620
Liabilities		
Overdrafts	\$ —	\$ —
Due to The Canada Life Assurance Company (note 8)	—	—
Due to brokers	—	—
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	—	—
Net assets attributable to contractholders	\$ 1,143,409	\$ 1,016,620

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 106,659	\$ (84,358)
Miscellaneous income (loss)	—	—
Total income (loss)	106,659	(84,358)
Expenses		
Management fees (note 8)	24,818	23,315
Other	2,480	2,300
Total expenses	27,298	25,615
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 79,361	\$ (109,973)

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year	\$ 1,016,620	\$ 1,033,429
Contractholder deposits	193,271	203,319
Contractholder withdrawals	(145,843)	(110,155)
Increase (decrease) in net assets from operations attributable to contractholders	79,361	(109,973)
Change in net assets attributable to contractholders	126,789	(16,809)
Net assets attributable to contractholders - end of year	\$ 1,143,409	\$ 1,016,620

Balanced Allocation Fund S-628

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 79,361	\$ (109,973)
Adjustments		
Realized (gains) losses	(9,346)	(8,586)
Unrealized (gains) losses	(97,313)	92,944
Gross proceeds of disposition of investments	53,050	36,747
Gross payments for the purchase of investments	(73,180)	(104,296)
	<u>(47,428)</u>	<u>(93,164)</u>
Financing Activities		
Contractholder deposits	193,271	203,319
Contractholder withdrawals	(145,843)	(110,155)
	<u>47,428</u>	<u>93,164</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	—	—
Cash, short-term deposits and overdrafts, beginning of year	—	—
Cash, short-term deposits and overdrafts, end of year	<u>\$ —</u>	<u>\$ —</u>

Balanced Allocation Fund S-628

Schedule of Investment Portfolio

(in Canadian \$ thousands)

As at December 31, 2023

	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units		
American Equity Fund (BG) SF562	26,634	34,620
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Amgen Inc.	5.33%	
Qualcomm Inc.	4.96%	
NetApp Inc.	4.89%	
American Express Co.	4.77%	
Omnicom Group Inc.	4.43%	
American Growth Fund (AGF) SF247	19,180	45,757
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Cash and short-term deposits	8.51%	
Amazon.com Inc.	7.41%	
NVIDIA Corp.	4.36%	
Palo Alto Networks Inc.	4.06%	
Eli Lilly and Co.	3.94%	
Canadian Equity Fund (Laketon) SF009	27,549	41,406
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Royal Bank of Canada	7.72%	
The Toronto-Dominion Bank	6.66%	
Bank of Montreal	4.94%	
Canadian Natural Resources Ltd.	4.07%	
Canadian Pacific Kansas City Ltd.	3.79%	
Canadian Equity Fund S-285LL	24,907	39,137
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Royal Bank of Canada	6.88%	
The Toronto-Dominion Bank	6.07%	
Mackenzie US Large Cap Index ETF *	4.42%	
Canadian Natural Resources Ltd.	3.97%	
Bank of Montreal	3.94%	
Core Bond Fund (PIM) SF531	73,550	77,182
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Government of Canada 2.75% 06-01-2033	9.86%	
Province of Ontario 3.65% 06-02-2033	8.71%	
Province of Quebec 4.40% 12-01-2055	3.28%	
Province of Quebec 3.60% 09-01-2033	2.81%	
United States Treasury Inflation Index 0.50% 04-15-2024 Real Return	2.52%	

*The issuer of this security is a related company to the issuer of the Fund.

Balanced Allocation Fund S-628

Schedule of Investment Portfolio

(in Canadian \$ thousands)

As at December 31, 2023

	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units (continued)		
Corporate Bond Fund (PIM) SF817	30,401	34,298
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Mackenzie Canadian All Corporate Bond Index ETF *	1.79%	
Reliance LP 2.67% 08-01-2028	1.43%	
The Bank of Nova Scotia 1.95% 01-10-2025	1.41%	
The Toronto-Dominion Bank 4.68% 01-08-2029	1.38%	
Enbridge Inc. 5.375% 09-27-2077	1.37%	
Emerging Markets Fund (P) SF537	35,984	31,342
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
iShares MSCI India ETF	10.93%	
Taiwan Semiconductor Manufacturing Co. Ltd. ADR	10.78%	
Samsung Electronics Co. Ltd.	6.20%	
Tencent Holdings Ltd.	5.73%	
ICICI Bank Ltd.	5.32%	
Enhanced Dividend Fund (Laketon) SF039	23,067	39,249
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Royal Bank of Canada	8.25%	
Bank of Montreal	6.23%	
The Toronto-Dominion Bank	5.94%	
TELUS Corp.	4.50%	
Canadian Natural Resources Ltd.	4.49%	
Global Dividend Fund (SAM) SF528	37,711	45,615
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
CRH PLC	4.21%	
DCC PLC	3.99%	
Sanofi SA	3.79%	
Novartis AG	3.75%	
Allianz SE	3.57%	
Global Future Fund S-183MF	28,242	51,325
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Schneider Electric SE	4.23%	
Microsoft Corp.	4.19%	
Roper Technologies Inc.	4.04%	
Cash and short-term deposits	3.76%	
Accenture PLC Class A	3.68%	

*The issuer of this security is a related company to the issuer of the Fund.

Balanced Allocation Fund S-628

Schedule of Investment Portfolio

(in Canadian \$ thousands)

As at December 31, 2023

	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units (continued)		
Global Small Cap Growth Fund (Mackenzie) SF533	29,259	34,719
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Cash and short-term deposits	3.28%	
Charles River Laboratories International Inc.	2.82%	
DexCom Inc.	2.76%	
Akamai Technologies Inc.	2.69%	
Wabtec Corp.	2.57%	
International Bond Fund (Laketon) SF036	29,049	29,499
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Buoni del Tesoro Poliennali 1.25% 12-01-2026	4.17%	
Government of Japan 0.40% 09-20-2025	2.81%	
Buoni del Tesoro Poliennali 0.35% 02-01-2025	2.73%	
United States Treasury 1.375% 08-31-2026	2.42%	
United States Treasury 2.75% 11-15-2042	2.41%	
International Opportunity Fund (JPM) SF556	27,628	28,692
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
ASML Holding NV	5.35%	
Nestle SA	5.19%	
Novo Nordisk AS	4.52%	
LVMH Moet Hennessy Louis Vuitton SE	3.48%	
Air Liquide SA	3.01%	
Mid Cap Canada Fund S-346G	19,779	28,799
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Boyd Group Services Inc.	3.85%	
EQB Inc.	3.57%	
Stantec Inc.	3.51%	
Element Fleet Management Corp.	3.41%	
The Descartes Systems Group Inc.	3.20%	
Pathways Canadian Equity Fund (GWLIM) SF543	31,429	41,377
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Royal Bank of Canada	7.64%	
The Toronto-Dominion Bank	6.60%	
Bank of Montreal	4.89%	
Canadian Natural Resources Ltd.	4.03%	
Canadian Pacific Kansas City Ltd.	3.70%	

Balanced Allocation Fund S-628

Schedule of Investment Portfolio

(in Canadian \$ thousands)

As at December 31, 2023

	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units (continued)		
Pathways Emerging Markets Equity Fund (Northcape) SF550	30,994	31,822
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Taiwan Semiconductor Manufacturing Co. Ltd. ADR	8.10%	
Samsung Electronics Co. Ltd.	7.50%	
Fomento Economico Mexicano SAB de CV (FEMSA) ADR	5.97%	
Maruti Suzuki India Ltd.	5.30%	
HDFC Bank Ltd. ADR	4.90%	
Pathways Global Multi Sector Bond Fund (Brandywine) SF542	30,272	29,760
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
United States Treasury Floating Rate 01-31-2025	21.14%	
Cash and short-term deposits	6.08%	
United Kingdom Gilt 3.75% 10-22-2053	5.77%	
United Mexican States 8.00% 07-31-2053	4.47%	
Republic of Columbia 7.00% 03-26-2031	3.79%	
Pathways International Equity Fund (Setanta) SF547	40,101	45,771
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
DCC PLC	6.18%	
Samsung Electronics Co. Ltd.	5.37%	
Ryanair Holdings PLC ADR	5.23%	
Alcon Inc.	4.83%	
EssilorLuxottica SA	4.65%	
Private Credit Fund 1.76NL	4,230	4,601
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Any Hour Services 6.50% 07-21-2027	3.51%	
Beacon Mobility 6.13% 12-31-2025	3.42%	
Apex Service Partners 5.50% 07-31-2025	2.84%	
Nordic Capital Fund X 5.25% 07-03-2028	2.65%	
Hg Mercury 3 A LP 7.25% 10-07-2027	2.59%	
Real Estate Fund (GWLRA) SF353	54,512	83,658
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Laird Business Park	5.84%	
Livmore High Park	4.88%	
High Park Village - West Tower	4.67%	
Grenadier Square	4.00%	
Cash and short-term deposits	3.96%	

Balanced Allocation Fund S-628

Schedule of Investment Portfolio

(in Canadian \$ thousands)

As at December 31, 2023

	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units (continued)		
Real Return Bond Fund (PIM) SF820	22,699	21,241
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Government of Canada 4.00% 12-01-2031 Real Return	14.57%	
Government of Canada 1.50% 12-01-2044 Real Return	13.33%	
Government of Canada 2.00% 12-01-2041 Real Return	12.52%	
Government of Canada 3.00% 12-01-2036 Real Return	12.31%	
Government of Canada 1.25% 12-01-2047 Real Return	11.89%	
Short Term Bond Fund (PIM) SF816	13,713	14,138
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Province of Ontario 3.60% 03-08-2028	11.91%	
Government of Canada 3.25% 09-01-2028	7.29%	
Canada Housing Trust No. 1 1.25% 06-15-2026	6.89%	
Province of Ontario 3.40% 09-08-2028	3.71%	
Province of Quebec 2.75% 09-01-2025	3.70%	
Tactical Bond Fund (PIM) SF558	221,077	212,902
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Province of Ontario 3.65% 06-02-2033	7.05%	
Government of Canada 2.75% 06-01-2033	6.11%	
Province of Quebec 4.40% 12-01-2055	4.15%	
United States Treasury Inflation Index 0.50% 04-15-2024 Real Return	2.63%	
Mackenzie Canadian Aggregate Bond Index ETF *	2.45%	
U.S. Growth Leaders Fund S-286MF	29,811	34,315
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Microsoft Corp.	9.97%	
Apple Inc.	9.58%	
Amazon.com Inc.	6.75%	
NVIDIA Corp.	5.29%	
Alphabet Inc. Class C	4.67%	
U.S. Property Fund 1.80EW	3,975	3,926
<i>Top Holdings:</i>	<i>% of Total</i>	
Canada Life US Property Feeder III LP *	99.69%	
Cash and short-term deposits	0.31%	

*The issuer of this security is a related company to the issuer of the Fund.

Balanced Allocation Fund S-628

Schedule of Investment Portfolio

(in Canadian \$ thousands)

As at December 31, 2023

	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units (continued)		
U.S. Value Fund S-178LL	29,547	58,258
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
JPMorgan Chase & Co.	3.60%	
Berkshire Hathaway Inc. Class B	2.30%	
Bank of America Corp.	2.16%	
Johnson & Johnson Inc.	2.06%	
Intel Corp.	2.05%	
Total Investments	945,300	1,143,409

Balanced Allocation Fund S-628

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Net Assets Attributable to Contractholders by Category

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
Generations/Mosaic	2,870,072	3,260,448	3,625,544	3,920,728	4,461,294	64,413	68,298	85,050	86,178	93,699
Generations I	2,379,078	2,718,818	3,156,794	3,472,084	4,117,225	42,459	45,214	58,694	60,389	68,313
Generations II	144,000	181,428	209,950	249,212	257,490	2,298	2,705	3,509	3,907	3,862
Generations Core	432,469	541,268	574,296	654,402	725,613	7,276	8,463	10,011	10,642	11,226
75/75 guarantee policy	8,777,175	8,065,813	6,746,129	4,796,078	3,425,861	158,841	135,644	126,495	83,894	57,011
75/100 guarantee policy	26,888,056	26,885,474	24,956,642	20,417,541	17,009,006	476,610	444,077	460,876	352,710	280,302
100/100 guarantee policy	902,952	995,233	1,048,375	1,026,757	972,031	15,562	16,027	18,927	17,388	15,746
PS1 75/75 guarantee policy	4,760,520	3,461,353	2,871,220	1,685,479	1,132,696	81,211	54,772	50,566	27,641	17,640
PS1 75/100 guarantee policy	11,588,286	10,435,171	8,895,163	5,415,507	4,333,382	195,311	163,319	155,112	88,032	66,966
PS1 100/100 guarantee policy	619,005	526,445	581,796	415,878	438,684	10,233	8,095	9,984	6,664	6,693
PS2 75/75 guarantee policy	894,438	716,056	538,512	354,100	239,445	20,102	14,577	11,914	7,124	4,468
PS2 75/100 guarantee policy	1,523,455	1,404,704	1,066,179	952,726	935,509	34,228	28,586	23,580	19,160	17,451
PS2 100/100 guarantee policy	38,357	14,745	16,898	15,683	23,325	861	300	374	315	435
PS 75/75 guarantee policy	691,207	530,536	428,329	346,047	324,628	8,271	5,835	5,195	3,873	3,419
PS 75/100 guarantee policy	1,512,740	1,358,056	807,591	473,349	213,821	17,831	14,754	9,702	5,262	2,243
PPS 75/75 guarantee policy	164,467	123,936	82,026	60,010	64,361	1,988	1,374	1,001	675	680
PPS 75/100 guarantee policy	492,278	415,094	200,582	119,414	98,164	5,914	4,580	2,439	1,339	1,035

Net Assets Attributable to Contractholders Per Unit (note 7)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
Generations/Mosaic	22.44	20.95	23.46	21.98	21.00	1.49	(2.51)
Generations I	17.85	16.63	18.59	17.39	16.59	1.22	(1.96)
Generations II	15.96	14.91	16.71	15.68	15.00	1.05	(1.80)
Generations Core	16.82	15.63	17.43	16.26	15.47	1.19	(1.80)
75/75 guarantee policy	18.10	16.82	18.75	17.49	16.64	1.28	(1.93)
75/100 guarantee policy	17.73	16.52	18.47	17.27	16.48	1.21	(1.95)
100/100 guarantee policy	17.23	16.10	18.05	16.93	16.20	1.13	(1.95)
PS1 75/75 guarantee policy	17.06	15.82	17.61	16.40	15.57	1.24	(1.79)
PS1 75/100 guarantee policy	16.85	15.65	17.44	16.26	15.45	1.20	(1.79)
PS1 100/100 guarantee policy	16.53	15.38	17.16	16.02	15.26	1.15	(1.78)
PS2 75/75 guarantee policy	22.47	20.36	22.12	20.12	18.66	2.11	(1.76)
PS2 75/100 guarantee policy	22.47	20.35	22.12	20.11	18.65	2.12	(1.77)
PS2 100/100 guarantee policy	22.45	20.33	22.10	20.09	18.64	2.12	(1.77)
PS 75/75 guarantee policy	11.97	11.00	12.13	11.19	10.53	0.97	(1.13)
PS 75/100 guarantee policy	11.79	10.86	12.01	11.12	10.49	0.93	(1.15)
PPS 75/75 guarantee policy	12.09	11.09	12.21	11.24	10.56	1.00	(1.12)
PPS 75/100 guarantee policy	12.01	11.03	12.16	11.21	10.54	0.98	(1.13)

Balanced Allocation Fund S-628

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Balanced Allocation Fund S-628 (the Fund) is offered by The Canada Life Assurance Company (Canada Life or the Company).

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

Balanced Allocation Fund S-628

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

Balanced Allocation Fund S-628

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in note 9 on Financial Instrument Risk Management.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

Balanced Allocation Fund S-628

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Investment Fund Units

Investment fund units are recorded at fair value, which is the closing net asset value (NAV) per unit of the underlying fund.

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Balanced Allocation Fund S-628

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

Balanced Allocation Fund S-628

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

k) Income Allocation

Net gain (loss) on investments, which includes realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the NAV per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

3. INVESTMENT FUND UNITS

Investment fund units of the Fund invest solely in units of other segregated investment funds of Canada Life. Units are valued based on the closing unit values of the underlying funds.

Investment activity of the underlying fund indirectly exposes the Fund to financial risk. See note 9 on Financial Instrument Risk Management.

Balanced Allocation Fund S-628

Notes to the Financial Statements

(in Canadian \$ thousands)

4. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Emperor,
- Flex,
- Generations/Mosaic,
- Generations I,
- Generations II,
- Generations Core,
- Prestige/Prestige Plus, and
- Private Collections.

In addition to the Individual units, units are available for:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

The categories of units are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

Balanced Allocation Fund S-628

Notes to the Financial Statements

(in Canadian \$ thousands)

5. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

6. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

7. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

Balanced Allocation Fund S-628

Notes to the Financial Statements

(in Canadian \$ thousands)

8. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.
- c) The Fund invests in assets or underlying funds managed by Canada Life Investment Management Ltd. All investment transactions with the corresponding underlying funds are at quoted market prices.

Balanced Allocation Fund S-628

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT

a) Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023. The following sections describe the significant risks that are relevant to the Fund.

The Fund employs a passive investment strategy whereby investments in underlying funds are based on target asset weightings. The target weightings allocated to each underlying fund and the selection of underlying funds are based on several factors, including impact to the Fund's volatility and asset class diversification. Significant changes to the selection of underlying funds or the target asset weightings attributed to each underlying fund require contractholder notification. To assist with managing risk, the Fund Manager also maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and other regulations. Financial statements for the underlying funds, which include discussions about their respective risk exposure, are available upon request.

b) Liquidity Risk

Liquidity risk arises when a Fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units. As the Fund primarily invests all of its net assets in the underlying funds, liquidity risk is mitigated by the underlying funds' ability to meet the obligation to fund daily cash redemptions of their redeemable units/shares. In addition, the underlying funds retain sufficient cash and cash equivalent positions to maintain adequate liquidity.

c) Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The Fund's investments in all underlying funds are denominated in Canadian dollars. However, the Fund is indirectly exposed to currency risk to the extent that the investments of the underlying funds are denominated or traded in a foreign currency.

d) Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund does not directly hold any interest-bearing financial instruments. The Fund is indirectly exposed to the risk that the value of interest-bearing financial instruments held by the underlying funds will fluctuate due to changes in the prevailing levels of market interest rates.

e) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund has no direct exposure to credit risk. The greatest indirect concentration of credit risk is in debt securities, such as bonds, held by underlying funds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer. The carrying amount of debt investments represents the maximum credit risk exposure as at December 31, 2023.

f) Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. For the instruments held by the Fund, maximum risk of loss is equivalent to their fair value. The Fund Manager moderates this risk through a careful selection of underlying funds within the parameters of the investment strategy.

Balanced Allocation Fund S-628

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT (continued)

g) Fair Value Classification

Investment Fund Units are recorded at fair value, which is the closing NAV per unit of the underlying fund. This valuation is considered to be a Level 2 classification.

Balanced Allocation Fund S-628

Supplemental Information (unaudited)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾

For the years ended December 31	2023	2022	2021	2020	2019
Generations/Mosaic	3.00	3.01	3.00	2.98	2.98
Generations I	2.83	2.84	2.83	2.82	2.82
Generations II	3.11	3.12	3.11	3.09	3.09
Generations Core	2.56	2.57	2.56	2.54	2.54
75/75 guarantee policy	2.56	2.56	2.55	2.54	2.54
75/100 guarantee policy	2.83	2.84	2.83	2.81	2.82
100/100 guarantee policy	3.11	3.11	3.11	3.09	3.09
PS1 75/75 guarantee policy	2.38	2.38	2.37	2.35	2.35
PS1 75/100 guarantee policy	2.49	2.49	2.48	2.47	2.47
PS1 100/100 guarantee policy	2.65	2.66	2.64	2.63	2.63
PS 75/75 guarantee policy	1.46	1.46	1.46	1.45	1.44
PS 75/100 guarantee policy	1.74	1.73	1.73	1.72	1.72
PPS 75/75 guarantee policy	1.28	1.28	1.28	1.27	1.26
PPS 75/100 guarantee policy	1.39	1.39	1.39	1.37	1.37

Portfolio Turnover Rate (%) ⁽²⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	4.93	3.67	24.19	45.14	6.99

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
ADVANCED ALLOCATION FUND S-629

December 31, 2023

Independent Auditor's Report

To the Contractholders of Advanced Allocation Fund S-629 (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

Advanced Allocation Fund S-629

(in Canadian \$ thousands)

Fund Manager: Portfolio Solutions Group, a division of Canada Life Investment Management Ltd.

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ —	\$ —
Investment income due and accrued	—	—
Due from The Canada Life Assurance Company (note 8)	—	—
Due from brokers	—	—
Due from outside parties	—	—
Investments		
Investment fund units (note 3)	310,306	260,417
Total investments	310,306	260,417
Total assets	\$ 310,306	\$ 260,417
Liabilities		
Overdrafts	\$ —	\$ —
Due to The Canada Life Assurance Company (note 8)	—	—
Due to brokers	—	—
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	—	—
Net assets attributable to contractholders	\$ 310,306	\$ 260,417

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 32,157	\$ (17,071)
Miscellaneous income (loss)	—	—
Total income (loss)	32,157	(17,071)
Expenses		
Management fees (note 8)	6,478	5,648
Other	668	586
Total expenses	7,146	6,234
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 25,011	\$ (23,305)

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year	\$ 260,417	\$ 239,250
Contractholder deposits	54,498	64,509
Contractholder withdrawals	(29,620)	(20,037)
Increase (decrease) in net assets from operations attributable to contractholders	25,011	(23,305)
Change in net assets attributable to contractholders	49,889	21,167
Net assets attributable to contractholders - end of year	\$ 310,306	\$ 260,417

Advanced Allocation Fund S-629

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 25,011	\$ (23,305)
Adjustments		
Realized (gains) losses	(2,011)	(3,238)
Unrealized (gains) losses	(30,146)	20,309
Gross proceeds of disposition of investments	12,880	13,174
Gross payments for the purchase of investments	(30,612)	(51,412)
	<u>(24,878)</u>	<u>(44,472)</u>
Financing Activities		
Contractholder deposits	54,498	64,509
Contractholder withdrawals	(29,620)	(20,037)
	<u>24,878</u>	<u>44,472</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	—	—
Cash, short-term deposits and overdrafts, beginning of year	—	—
Cash, short-term deposits and overdrafts, end of year	<u>\$ —</u>	<u>\$ —</u>

Advanced Allocation Fund S-629

Schedule of Investment Portfolio

(in Canadian \$ thousands)

As at December 31, 2023

	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units		
American Equity Fund (BG) SF562	9,915	12,571
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Amgen Inc.	5.33%	
Qualcomm Inc.	4.96%	
NetApp Inc.	4.89%	
American Express Co.	4.77%	
Omnicom Group Inc.	4.43%	
American Growth Fund (AGF) SF247	11,360	20,890
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Cash and short-term deposits	8.51%	
Amazon.com Inc.	7.41%	
NVIDIA Corp.	4.36%	
Palo Alto Networks Inc.	4.06%	
Eli Lilly and Co.	3.94%	
Canadian Equity Fund (Laketon) SF009	12,489	17,925
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Royal Bank of Canada	7.72%	
The Toronto-Dominion Bank	6.66%	
Bank of Montreal	4.94%	
Canadian Natural Resources Ltd.	4.07%	
Canadian Pacific Kansas City Ltd.	3.79%	
Canadian Equity Fund S-285LL	9,703	12,508
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Royal Bank of Canada	6.88%	
The Toronto-Dominion Bank	6.07%	
Mackenzie US Large Cap Index ETF *	4.42%	
Canadian Natural Resources Ltd.	3.97%	
Bank of Montreal	3.94%	
Canadian Resource Fund S-348MF	2,147	3,788
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Shell PLC Class A ADR	4.71%	
TotalEnergies SE ADR	4.24%	
Advantage Energy Ltd.	3.48%	
Tourmaline Oil Corp.	3.46%	
ARC Resources Ltd.	2.83%	

*The issuer of this security is a related company to the issuer of the Fund.

Advanced Allocation Fund S-629

Schedule of Investment Portfolio

(in Canadian \$ thousands)

As at December 31, 2023

	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units (continued)		
Emerging Markets Fund (P) SF537	11,698	11,601
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
iShares MSCI India ETF	10.93%	
Taiwan Semiconductor Manufacturing Co. Ltd. ADR	10.78%	
Samsung Electronics Co. Ltd.	6.20%	
Tencent Holdings Ltd.	5.73%	
ICICI Bank Ltd.	5.32%	
Enhanced Dividend Fund (Laketon) SF039	8,668	12,570
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Royal Bank of Canada	8.25%	
Bank of Montreal	6.23%	
The Toronto-Dominion Bank	5.94%	
TELUS Corp.	4.50%	
Canadian Natural Resources Ltd.	4.49%	
Global Dividend Fund (SAM) SF528	9,769	11,614
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
CRH PLC	4.21%	
DCC PLC	3.99%	
Sanofi SA	3.79%	
Novartis AG	3.75%	
Allianz SE	3.57%	
Global Future Fund S-183MF	11,682	16,989
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Schneider Electric SE	4.23%	
Microsoft Corp.	4.19%	
Roper Technologies Inc.	4.04%	
Cash and short-term deposits	3.76%	
Accenture PLC Class A	3.68%	
Global Small Cap Growth Fund (Mackenzie) SF533	10,910	12,567
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Cash and short-term deposits	3.28%	
Charles River Laboratories International Inc.	2.82%	
DexCom Inc.	2.76%	
Akamai Technologies Inc.	2.69%	
Wabtec Corp.	2.57%	

Advanced Allocation Fund S-629

Schedule of Investment Portfolio

(in Canadian \$ thousands)

As at December 31, 2023

	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units (continued)		
International Bond Fund (Laketon) SF036	3,564	3,547
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Buoni del Tesoro Poliennali 1.25% 12-01-2026	4.17%	
Government of Japan 0.40% 09-20-2025	2.81%	
Buoni del Tesoro Poliennali 0.35% 02-01-2025	2.73%	
United States Treasury 1.375% 08-31-2026	2.42%	
United States Treasury 2.75% 11-15-2042	2.41%	
International Opportunity Fund (JPM) SF556	11,936	12,459
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
ASML Holding NV	5.35%	
Nestle SA	5.19%	
Novo Nordisk AS	4.52%	
LVMH Moet Hennessy Louis Vuitton SE	3.48%	
Air Liquide SA	3.01%	
Mid Cap Canada Fund S-346G	7,247	9,401
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Boyd Group Services Inc.	3.85%	
EQB Inc.	3.57%	
Stantec Inc.	3.51%	
Element Fleet Management Corp.	3.41%	
The Descartes Systems Group Inc.	3.20%	
Pathways Canadian Equity Fund (GWLIM) SF543	14,038	17,913
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Royal Bank of Canada	7.64%	
The Toronto-Dominion Bank	6.60%	
Bank of Montreal	4.89%	
Canadian Natural Resources Ltd.	4.03%	
Canadian Pacific Kansas City Ltd.	3.70%	
Pathways Emerging Markets Equity Fund (Northcape) SF550	11,381	11,779
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Taiwan Semiconductor Manufacturing Co. Ltd. ADR	8.10%	
Samsung Electronics Co. Ltd.	7.50%	
Fomento Economico Mexicano SAB de CV (FEMSA) ADR	5.97%	
Maruti Suzuki India Ltd.	5.30%	
HDFC Bank Ltd. ADR	4.90%	

Advanced Allocation Fund S-629

Schedule of Investment Portfolio

(in Canadian \$ thousands)

As at December 31, 2023

	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units (continued)		
Pathways Global Multi Sector Bond Fund (Brandywine) SF542	3,454	3,425
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
United States Treasury Floating Rate 01-31-2025	21.14%	
Cash and short-term deposits	6.08%	
United Kingdom Gilt 3.75% 10-22-2053	5.77%	
United Mexican States 8.00% 07-31-2053	4.47%	
Republic of Columbia 7.00% 03-26-2031	3.79%	
Pathways International Equity Fund (Setanta) SF547	13,686	15,540
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
DCC PLC	6.18%	
Samsung Electronics Co. Ltd.	5.37%	
Ryanair Holdings PLC ADR	5.23%	
Alcon Inc.	4.83%	
EssilorLuxottica SA	4.65%	
Private Credit Fund 1.76NL	489	524
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Any Hour Services 6.50% 07-21-2027	3.51%	
Beacon Mobility 6.13% 12-31-2025	3.42%	
Apex Service Partners 5.50% 07-31-2025	2.84%	
Nordic Capital Fund X 5.25% 07-03-2028	2.65%	
Hg Mercury 3 A LP 7.25% 10-07-2027	2.59%	
Real Estate Fund (GWLRA) SF353	20,276	25,593
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Laird Business Park	5.84%	
Livmore High Park	4.88%	
High Park Village - West Tower	4.67%	
Grenadier Square	4.00%	
Cash and short-term deposits	3.96%	
Real Return Bond Fund (PIM) SF820	2,646	2,498
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Government of Canada 4.00% 12-01-2031 Real Return	14.57%	
Government of Canada 1.50% 12-01-2044 Real Return	13.33%	
Government of Canada 2.00% 12-01-2041 Real Return	12.52%	
Government of Canada 3.00% 12-01-2036 Real Return	12.31%	
Government of Canada 1.25% 12-01-2047 Real Return	11.89%	

Advanced Allocation Fund S-629

Schedule of Investment Portfolio

(in Canadian \$ thousands)

As at December 31, 2023

	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units (continued)		
Tactical Bond Fund (PIM) SF558	40,820	39,862
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Province of Ontario 3.65% 06-02-2033	7.05%	
Government of Canada 2.75% 06-01-2033	6.11%	
Province of Quebec 4.40% 12-01-2055	4.15%	
United States Treasury Inflation Index 0.50% 04-15-2024 Real Return	2.63%	
Mackenzie Canadian Aggregate Bond Index ETF *	2.45%	
U.S. Growth Leaders Fund S-286MF	10,449	12,374
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Microsoft Corp.	9.97%	
Apple Inc.	9.58%	
Amazon.com Inc.	6.75%	
NVIDIA Corp.	5.29%	
Alphabet Inc. Class C	4.67%	
U.S. Property Fund 1.80EW	1,095	1,081
<i>Top Holdings:</i>	<i>% of Total</i>	
Canada Life US Property Feeder III LP *	99.69%	
Cash and short-term deposits	0.31%	
U.S. Value Fund S-178LL	11,958	21,287
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
JPMorgan Chase & Co.	3.60%	
Berkshire Hathaway Inc. Class B	2.30%	
Bank of America Corp.	2.16%	
Johnson & Johnson Inc.	2.06%	
Intel Corp.	2.05%	
Total Investments	251,380	310,306

*The issuer of this security is a related company to the issuer of the Fund.

Advanced Allocation Fund S-629

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Net Assets Attributable to Contractholders by Category

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
Generations/Mosaic	885,892	972,559	1,036,218	1,112,662	1,352,242	23,509	23,800	28,140	27,036	30,650
Generations I	248,686	258,449	277,372	325,468	393,085	4,997	4,778	5,678	5,949	6,687
Generations II	62,282	75,654	86,532	88,177	124,914	1,070	1,200	1,525	1,391	1,841
Generations Core	122,694	153,620	167,787	183,019	206,029	2,242	2,576	3,107	3,018	3,153
75/75 guarantee policy	2,814,502	2,500,585	1,973,771	1,194,968	766,418	59,855	48,799	42,532	22,926	13,649
75/100 guarantee policy	4,413,460	4,155,403	3,515,066	2,650,003	1,922,022	91,697	79,442	74,409	50,083	33,809
100/100 guarantee policy	390,252	398,025	394,737	361,862	332,885	7,835	7,377	8,127	6,674	5,733
PS1 75/75 guarantee policy	1,465,002	1,156,882	781,478	393,657	226,428	29,834	21,579	16,067	7,193	3,833
PS1 75/100 guarantee policy	2,316,298	1,992,433	1,562,243	1,059,396	695,418	46,569	36,732	31,779	19,173	11,673
PS1 100/100 guarantee policy	191,817	168,370	197,083	113,882	103,901	3,732	3,012	3,901	2,011	1,706
PS2 75/75 guarantee policy	364,897	319,547	275,211	220,120	238,260	9,915	7,757	7,181	4,979	4,871
PS2 75/100 guarantee policy	667,111	603,970	384,626	321,423	373,103	18,141	14,672	10,044	7,275	7,633
PS 75/75 guarantee policy	195,629	168,443	202,112	177,387	145,816	2,525	1,973	2,586	1,998	1,508
PS 75/100 guarantee policy	130,820	102,316	83,533	22,961	26,203	1,663	1,184	1,059	258	270
PPS 75/75 guarantee policy	378,699	328,147	162,428	91,743	51,431	4,938	3,876	2,092	1,038	534
PPS 75/100 guarantee policy	131,861	141,188	79,768	51,238	—	1,709	1,660	1,023	578	—
PPS 100/100 guarantee policy	5,883	—	—	—	—	75	—	—	—	—

Net Assets Attributable to Contractholders Per Unit (note 7)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
Generations/Mosaic	26.54	24.47	27.16	24.30	22.67	2.07	(2.69)
Generations I	20.09	18.49	20.47	18.28	17.01	1.60	(1.98)
Generations II	17.18	15.86	17.62	15.78	14.74	1.32	(1.76)
Generations Core	18.28	16.77	18.52	16.49	15.31	1.51	(1.75)
75/75 guarantee policy	21.27	19.51	21.55	19.19	17.81	1.76	(2.04)
75/100 guarantee policy	20.78	19.12	21.17	18.90	17.59	1.66	(2.05)
100/100 guarantee policy	20.08	18.53	20.59	18.44	17.22	1.55	(2.06)
PS1 75/75 guarantee policy	20.36	18.65	20.56	18.27	16.93	1.71	(1.91)
PS1 75/100 guarantee policy	20.11	18.44	20.34	18.10	16.79	1.67	(1.90)
PS1 100/100 guarantee policy	19.46	17.89	19.79	17.66	16.42	1.57	(1.90)
PS2 75/75 guarantee policy	27.17	24.27	26.09	22.62	20.44	2.90	(1.82)
PS2 75/100 guarantee policy	27.19	24.29	26.11	22.63	20.46	2.90	(1.82)
PS 75/75 guarantee policy	12.91	11.71	12.79	11.27	10.34	1.20	(1.08)
PS 75/100 guarantee policy	12.71	11.57	12.67	11.19	10.30	1.14	(1.10)
PPS 75/75 guarantee policy	13.04	11.81	12.88	11.32	10.37	1.23	(1.07)
PPS 75/100 guarantee policy	12.96	11.75	12.83	11.29	—	1.21	(1.08)
PPS 100/100 guarantee policy	12.77	—	—	—	—	1.16	—

Advanced Allocation Fund S-629

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Advanced Allocation Fund S-629 (the Fund) is offered by The Canada Life Assurance Company (Canada Life or the Company).

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

Advanced Allocation Fund S-629

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

Advanced Allocation Fund S-629

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in note 9 on Financial Instrument Risk Management.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

Advanced Allocation Fund S-629

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Investment Fund Units

Investment fund units are recorded at fair value, which is the closing net asset value (NAV) per unit of the underlying fund.

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Advanced Allocation Fund S-629

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

Advanced Allocation Fund S-629

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

k) Income Allocation

Net gain (loss) on investments, which includes realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the NAV per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

3. INVESTMENT FUND UNITS

Investment fund units of the Fund invest solely in units of other segregated investment funds of Canada Life. Units are valued based on the closing unit values of the underlying funds.

Investment activity of the underlying fund indirectly exposes the Fund to financial risk. See note 9 on Financial Instrument Risk Management.

Advanced Allocation Fund S-629

Notes to the Financial Statements

(in Canadian \$ thousands)

4. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Emperor,
- Flex,
- Generations/Mosaic,
- Generations I,
- Generations II,
- Generations Core,
- Prestige/Prestige Plus, and
- Private Collections.

In addition to the Individual units, units are available for:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

The categories of units are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

Advanced Allocation Fund S-629

Notes to the Financial Statements

(in Canadian \$ thousands)

5. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

6. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

7. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

Advanced Allocation Fund S-629

Notes to the Financial Statements

(in Canadian \$ thousands)

8. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.
- c) The Fund invests in assets or underlying funds managed by Canada Life Investment Management Ltd. All investment transactions with the corresponding underlying funds are at quoted market prices.

Advanced Allocation Fund S-629

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT

a) Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023. The following sections describe the significant risks that are relevant to the Fund.

The Fund employs a passive investment strategy whereby investments in underlying funds are based on target asset weightings. The target weightings allocated to each underlying fund and the selection of underlying funds are based on several factors, including impact to the Fund's volatility and asset class diversification. Significant changes to the selection of underlying funds or the target asset weightings attributed to each underlying fund require contractholder notification. To assist with managing risk, the Fund Manager also maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and other regulations. Financial statements for the underlying funds, which include discussions about their respective risk exposure, are available upon request.

b) Liquidity Risk

Liquidity risk arises when a Fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units. As the Fund primarily invests all of its net assets in the underlying funds, liquidity risk is mitigated by the underlying funds' ability to meet the obligation to fund daily cash redemptions of their redeemable units/shares. In addition, the underlying funds retain sufficient cash and cash equivalent positions to maintain adequate liquidity.

c) Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The Fund's investments in all underlying funds are denominated in Canadian dollars. However, the Fund is indirectly exposed to currency risk to the extent that the investments of the underlying funds are denominated or traded in a foreign currency.

d) Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund does not directly hold any interest-bearing financial instruments. The Fund is indirectly exposed to the risk that the value of interest-bearing financial instruments held by the underlying funds will fluctuate due to changes in the prevailing levels of market interest rates.

e) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund has no direct exposure to credit risk. The greatest indirect concentration of credit risk is in debt securities, such as bonds, held by underlying funds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer. The carrying amount of debt investments represents the maximum credit risk exposure as at December 31, 2023.

f) Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. For the instruments held by the Fund, maximum risk of loss is equivalent to their fair value. The Fund Manager moderates this risk through a careful selection of underlying funds within the parameters of the investment strategy.

Advanced Allocation Fund S-629

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT (continued)

g) Fair Value Classification

Investment Fund Units are recorded at fair value, which is the closing NAV per unit of the underlying fund. This valuation is considered to be a Level 2 classification.

Advanced Allocation Fund S-629

Supplemental Information (unaudited)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾

For the years ended December 31	2023	2022	2021	2020	2019
Generations/Mosaic	3.18	3.19	3.18	3.16	3.16
Generations I	2.96	2.97	2.96	2.94	2.94
Generations II	3.29	3.30	3.28	3.28	3.27
Generations Core	2.68	2.69	2.68	2.67	2.67
75/75 guarantee policy	2.68	2.68	2.67	2.66	2.66
75/100 guarantee policy	2.96	2.96	2.95	2.94	2.94
100/100 guarantee policy	3.29	3.30	3.28	3.27	3.27
PS1 75/75 guarantee policy	2.50	2.50	2.49	2.47	2.47
PS1 75/100 guarantee policy	2.61	2.61	2.60	2.58	2.59
PS1 100/100 guarantee policy	2.88	2.90	2.87	2.86	2.86
PS 75/75 guarantee policy	1.58	1.59	1.58	1.57	1.56
PS 75/100 guarantee policy	1.86	1.86	1.84	1.84	1.85
PPS 75/75 guarantee policy	1.40	1.40	1.39	1.38	1.37
PPS 75/100 guarantee policy	1.51	1.51	1.50	1.49	—
PPS 100/100 guarantee policy	1.78	—	—	—	—

Portfolio Turnover Rate (%) ⁽²⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	4.50	5.32	28.63	48.25	15.14

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

Financial Statements of

**THE CANADA LIFE ASSURANCE COMPANY
AGGRESSIVE ALLOCATION FUND S-630**

December 31, 2023

Independent Auditor's Report

To the Contractholders of Aggressive Allocation Fund S-630 (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

Aggressive Allocation Fund S-630

(in Canadian \$ thousands)

Fund Manager: Portfolio Solutions Group, a division of Canada Life Investment Management Ltd.

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ —	\$ —
Investment income due and accrued	—	—
Due from The Canada Life Assurance Company (note 8)	—	—
Due from brokers	—	—
Due from outside parties	—	—
Investments		
Investment fund units (note 3)	200,520	167,390
Total investments	200,520	167,390
Total assets	\$ 200,520	\$ 167,390
Liabilities		
Overdrafts	\$ —	\$ —
Due to The Canada Life Assurance Company (note 8)	—	—
Due to brokers	—	—
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	—	—
Net assets attributable to contractholders	\$ 200,520	\$ 167,390

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 22,552	\$ (10,352)
Miscellaneous income (loss)	—	—
Total income (loss)	22,552	(10,352)
Expenses		
Management fees (note 8)	4,395	3,720
Other	447	375
Total expenses	4,842	4,095
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 17,710	\$ (14,447)

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year	\$ 167,390	\$ 154,709
Contractholder deposits	35,287	38,102
Contractholder withdrawals	(19,867)	(10,974)
Increase (decrease) in net assets from operations attributable to contractholders	17,710	(14,447)
Change in net assets attributable to contractholders	33,130	12,681
Net assets attributable to contractholders - end of year	\$ 200,520	\$ 167,390

Aggressive Allocation Fund S-630

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 17,710	\$ (14,447)
Adjustments		
Realized (gains) losses	(1,867)	(3,180)
Unrealized (gains) losses	(20,685)	13,532
Gross proceeds of disposition of investments	10,436	10,516
Gross payments for the purchase of investments	(21,014)	(33,549)
	<u>(15,420)</u>	<u>(27,128)</u>
Financing Activities		
Contractholder deposits	35,287	38,102
Contractholder withdrawals	(19,867)	(10,974)
	<u>15,420</u>	<u>27,128</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	—	—
Cash, short-term deposits and overdrafts, beginning of year	—	—
Cash, short-term deposits and overdrafts, end of year	<u>\$ —</u>	<u>\$ —</u>

Aggressive Allocation Fund S-630

Schedule of Investment Portfolio

(in Canadian \$ thousands)

As at December 31, 2023

	Average Cost	Fair Value
Investment Fund Units		
American Equity Fund (BG) SF562	7,305	9,121
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Amgen Inc.	5.33%	
Qualcomm Inc.	4.96%	
NetApp Inc.	4.89%	
American Express Co.	4.77%	
Omnicom Group Inc.	4.43%	
American Growth Fund (AGF) SF247	9,607	16,940
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Cash and short-term deposits	8.51%	
Amazon.com Inc.	7.41%	
NVIDIA Corp.	4.36%	
Palo Alto Networks Inc.	4.06%	
Eli Lilly and Co.	3.94%	
Canadian Equity Fund (Laketon) SF009	10,085	14,109
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Royal Bank of Canada	7.72%	
The Toronto-Dominion Bank	6.66%	
Bank of Montreal	4.94%	
Canadian Natural Resources Ltd.	4.07%	
Canadian Pacific Kansas City Ltd.	3.79%	
Canadian Equity Fund S-285LL	6,272	8,067
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Royal Bank of Canada	6.88%	
The Toronto-Dominion Bank	6.07%	
Mackenzie US Large Cap Index ETF *	4.42%	
Canadian Natural Resources Ltd.	3.97%	
Bank of Montreal	3.94%	
Canadian Resource Fund S-348MF	2,390	3,987
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Shell PLC Class A ADR	4.71%	
TotalEnergies SE ADR	4.24%	
Advantage Energy Ltd.	3.48%	
Tourmaline Oil Corp.	3.46%	
ARC Resources Ltd.	2.83%	

*The issuer of this security is a related company to the issuer of the Fund.

Aggressive Allocation Fund S-630

Schedule of Investment Portfolio

(in Canadian \$ thousands)

As at December 31, 2023

	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units (continued)		
Emerging Markets Fund (P) SF537	8,943	9,058
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
iShares MSCI India ETF	10.93%	
Taiwan Semiconductor Manufacturing Co. Ltd. ADR	10.78%	
Samsung Electronics Co. Ltd.	6.20%	
Tencent Holdings Ltd.	5.73%	
ICICI Bank Ltd.	5.32%	
Enhanced Dividend Fund (Laketon) SF039	6,325	8,090
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Royal Bank of Canada	8.25%	
Bank of Montreal	6.23%	
The Toronto-Dominion Bank	5.94%	
TELUS Corp.	4.50%	
Canadian Natural Resources Ltd.	4.49%	
Global Dividend Fund (SAM) SF528	4,207	5,011
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
CRH PLC	4.21%	
DCC PLC	3.99%	
Sanofi SA	3.79%	
Novartis AG	3.75%	
Allianz SE	3.57%	
Global Future Fund S-183MF	9,793	13,953
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Schneider Electric SE	4.23%	
Microsoft Corp.	4.19%	
Roper Technologies Inc.	4.04%	
Cash and short-term deposits	3.76%	
Accenture PLC Class A	3.68%	
Global Small Cap Growth Fund (Mackenzie) SF533	8,851	10,083
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Cash and short-term deposits	3.28%	
Charles River Laboratories International Inc.	2.82%	
DexCom Inc.	2.76%	
Akamai Technologies Inc.	2.69%	
Wabtec Corp.	2.57%	

Aggressive Allocation Fund S-630

Schedule of Investment Portfolio

(in Canadian \$ thousands)

As at December 31, 2023

	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units (continued)		
International Opportunity Fund (JPM) SF556	11,541	12,044
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
ASML Holding NV	5.35%	
Nestle SA	5.19%	
Novo Nordisk AS	4.52%	
LVMH Moet Hennessy Louis Vuitton SE	3.48%	
Air Liquide SA	3.01%	
Mid Cap Canada Fund S-346G	8,032	10,079
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Boyd Group Services Inc.	3.85%	
EQB Inc.	3.57%	
Stantec Inc.	3.51%	
Element Fleet Management Corp.	3.41%	
The Descartes Systems Group Inc.	3.20%	
Pathways Canadian Equity Fund (GWLIM) SF543	11,074	14,106
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Royal Bank of Canada	7.64%	
The Toronto-Dominion Bank	6.60%	
Bank of Montreal	4.89%	
Canadian Natural Resources Ltd.	4.03%	
Canadian Pacific Kansas City Ltd.	3.70%	
Pathways Emerging Markets Equity Fund (Northcape) SF550	8,774	9,081
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Taiwan Semiconductor Manufacturing Co. Ltd. ADR	8.10%	
Samsung Electronics Co. Ltd.	7.50%	
Fomento Economico Mexicano SAB de CV (FEMSA) ADR	5.97%	
Maruti Suzuki India Ltd.	5.30%	
HDFC Bank Ltd. ADR	4.90%	
Pathways International Equity Fund (Setanta) SF547	9,715	11,051
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
DCC PLC	6.18%	
Samsung Electronics Co. Ltd.	5.37%	
Ryanair Holdings PLC ADR	5.23%	
Alcon Inc.	4.83%	
EssilorLuxottica SA	4.65%	

Aggressive Allocation Fund S-630

Schedule of Investment Portfolio

(in Canadian \$ thousands)

As at December 31, 2023

	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units (continued)		
Real Estate Fund (GWLRA) SF353	15,795	18,854
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Laird Business Park	5.84%	
Livmore High Park	4.88%	
High Park Village - West Tower	4.67%	
Grenadier Square	4.00%	
Cash and short-term deposits	3.96%	
U.S. Growth Leaders Fund S-286MF	7,510	8,940
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Microsoft Corp.	9.97%	
Apple Inc.	9.58%	
Amazon.com Inc.	6.75%	
NVIDIA Corp.	5.29%	
Alphabet Inc. Class C	4.67%	
U.S. Property Fund 1.80EW	774	764
<i>Top Holdings:</i>	<i>% of Total</i>	
Canada Life US Property Feeder III LP *	99.69%	
Cash and short-term deposits	0.31%	
U.S. Value Fund S-178LL	10,504	17,182
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
JPMorgan Chase & Co.	3.60%	
Berkshire Hathaway Inc. Class B	2.30%	
Bank of America Corp.	2.16%	
Johnson & Johnson Inc.	2.06%	
Intel Corp.	2.05%	
Total Investments	157,497	200,520

*The issuer of this security is a related company to the issuer of the Fund.

Aggressive Allocation Fund S-630

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Net Assets Attributable to Contractholders by Category

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
Generations/Mosaic	380,726	429,418	452,503	500,389	597,956	10,648	10,974	12,789	12,236	13,678
Generations I	188,167	207,471	224,887	250,239	276,487	4,106	4,133	4,948	4,759	4,913
Generations II	16,773	23,877	25,575	36,469	51,311	304	396	470	580	765
Generations Core	111,147	110,520	112,478	141,524	155,699	2,162	1,955	2,190	2,372	2,429
75/75 guarantee policy	1,829,014	1,652,865	1,314,168	1,015,736	687,778	44,428	36,508	31,942	21,255	13,398
75/100 guarantee policy	2,374,750	2,076,798	1,691,135	1,172,460	821,087	55,851	44,584	40,105	24,030	15,726
100/100 guarantee policy	159,152	174,613	188,294	199,905	194,951	3,618	3,634	4,341	3,993	3,649
PS1 75/75 guarantee policy	1,266,872	1,082,848	892,685	653,673	498,064	29,420	22,811	20,645	12,984	9,187
PS1 75/100 guarantee policy	1,130,302	1,011,585	709,210	387,539	226,808	25,917	21,064	16,230	7,626	4,149
PS1 100/100 guarantee policy	48,972	44,841	39,861	32,219	2,467	1,073	895	878	613	44
PS2 75/75 guarantee policy	350,829	343,007	304,753	353,767	352,626	10,941	9,459	8,994	8,741	7,890
PS2 75/100 guarantee policy	81,600	83,381	93,583	50,139	28,848	2,544	2,299	2,761	1,238	645
PS 75/75 guarantee policy	334,703	335,294	384,058	403,360	444,073	4,468	4,025	5,019	4,488	4,550
PS 75/100 guarantee policy	83,661	78,514	51,589	13,797	—	1,094	926	665	152	—
PPS 75/75 guarantee policy	272,183	267,506	184,847	126,862	112,466	3,682	3,247	2,436	1,420	1,156
PPS 75/100 guarantee policy	19,648	39,755	22,593	—	—	264	480	296	—	—

Net Assets Attributable to Contractholders Per Unit (note 7)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
Generations/Mosaic	27.97	25.56	28.26	24.45	22.88	2.41	(2.70)
Generations I	21.82	19.92	22.00	19.02	17.77	1.90	(2.08)
Generations II	18.11	16.58	18.36	15.91	14.91	1.53	(1.78)
Generations Core	19.45	17.69	19.47	16.76	15.60	1.76	(1.78)
75/75 guarantee policy	24.29	22.09	24.31	20.93	19.48	2.20	(2.22)
75/100 guarantee policy	23.52	21.47	23.72	20.50	19.15	2.05	(2.25)
100/100 guarantee policy	22.74	20.81	23.05	19.98	18.72	1.93	(2.24)
PS1 75/75 guarantee policy	23.22	21.07	23.13	19.86	18.45	2.15	(2.06)
PS1 75/100 guarantee policy	22.93	20.82	22.88	19.68	18.29	2.11	(2.06)
PS1 100/100 guarantee policy	21.90	19.97	22.03	19.01	17.74	1.93	(2.06)
PS2 75/75 guarantee policy	31.19	27.58	29.51	24.71	22.37	3.61	(1.93)
PS2 75/100 guarantee policy	31.18	27.57	29.50	24.70	22.37	3.61	(1.93)
PS 75/75 guarantee policy	13.35	12.01	13.07	11.13	10.25	1.34	(1.06)
PS 75/100 guarantee policy	13.07	11.80	12.89	11.02	—	1.27	(1.09)
PPS 75/75 guarantee policy	13.53	12.14	13.18	11.19	10.28	1.39	(1.04)
PPS 75/100 guarantee policy	13.44	12.07	13.12	—	—	1.37	(1.05)

Aggressive Allocation Fund S-630

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Aggressive Allocation Fund S-630 (the Fund) is offered by The Canada Life Assurance Company (Canada Life or the Company).

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

Aggressive Allocation Fund S-630

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

Aggressive Allocation Fund S-630

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in note 9 on Financial Instrument Risk Management.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

Aggressive Allocation Fund S-630

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Investment Fund Units

Investment fund units are recorded at fair value, which is the closing net asset value (NAV) per unit of the underlying fund.

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Aggressive Allocation Fund S-630

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

Aggressive Allocation Fund S-630

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

k) Income Allocation

Net gain (loss) on investments, which includes realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the NAV per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

3. INVESTMENT FUND UNITS

Investment fund units of the Fund invest solely in units of other segregated investment funds of Canada Life. Units are valued based on the closing unit values of the underlying funds.

Investment activity of the underlying fund indirectly exposes the Fund to financial risk. See note 9 on Financial Instrument Risk Management.

Aggressive Allocation Fund S-630

Notes to the Financial Statements

(in Canadian \$ thousands)

4. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Emperor,
- Flex,
- Generations/Mosaic,
- Generations I,
- Generations II,
- Generations Core,
- Prestige/Prestige Plus, and
- Private Collections.

In addition to the Individual units, units are available for:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

The categories of units are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

Aggressive Allocation Fund S-630

Notes to the Financial Statements

(in Canadian \$ thousands)

5. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

6. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

7. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

Aggressive Allocation Fund S-630

Notes to the Financial Statements

(in Canadian \$ thousands)

8. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.
- c) The Fund invests in assets or underlying funds managed by Canada Life Investment Management Ltd. All investment transactions with the corresponding underlying funds are at quoted market prices.

Aggressive Allocation Fund S-630

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT

a) Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023. The following sections describe the significant risks that are relevant to the Fund.

The Fund employs a passive investment strategy whereby investments in underlying funds are based on target asset weightings. The target weightings allocated to each underlying fund and the selection of underlying funds are based on several factors, including impact to the Fund's volatility and asset class diversification. Significant changes to the selection of underlying funds or the target asset weightings attributed to each underlying fund require contractholder notification. To assist with managing risk, the Fund Manager also maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and other regulations. Financial statements for the underlying funds, which include discussions about their respective risk exposure, are available upon request.

b) Liquidity Risk

Liquidity risk arises when a Fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units. As the Fund primarily invests all of its net assets in the underlying funds, liquidity risk is mitigated by the underlying funds' ability to meet the obligation to fund daily cash redemptions of their redeemable units/shares. In addition, the underlying funds retain sufficient cash and cash equivalent positions to maintain adequate liquidity.

c) Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The Fund's investments in all underlying funds are denominated in Canadian dollars. However, the Fund is indirectly exposed to currency risk to the extent that the investments of the underlying funds are denominated or traded in a foreign currency.

d) Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund does not directly hold any interest-bearing financial instruments. The Fund is indirectly exposed to the risk that the value of interest-bearing financial instruments held by the underlying funds will fluctuate due to changes in the prevailing levels of market interest rates.

e) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund has no direct exposure to credit risk. The greatest indirect concentration of credit risk is in debt securities, such as bonds, held by underlying funds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer. The carrying amount of debt investments represents the maximum credit risk exposure as at December 31, 2023.

f) Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. For the instruments held by the Fund, maximum risk of loss is equivalent to their fair value. The Fund Manager moderates this risk through a careful selection of underlying funds within the parameters of the investment strategy.

Aggressive Allocation Fund S-630

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT (continued)

g) Fair Value Classification

Investment Fund Units are recorded at fair value, which is the closing NAV per unit of the underlying fund. This valuation is considered to be a Level 2 classification.

Aggressive Allocation Fund S-630

Supplemental Information (unaudited)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾

For the years ended December 31	2023	2022	2021	2020	2019
Generations/Mosaic	3.28	3.29	3.28	3.27	3.27
Generations I	3.17	3.18	3.17	3.16	3.16
Generations II	3.45	3.46	3.46	3.43	3.44
Generations Core	2.79	2.80	2.79	2.77	2.78
75/75 guarantee policy	2.79	2.79	2.78	2.77	2.77
75/100 guarantee policy	3.17	3.17	3.16	3.15	3.16
100/100 guarantee policy	3.45	3.46	3.45	3.43	3.43
PS1 75/75 guarantee policy	2.55	2.55	2.54	2.52	2.53
PS1 75/100 guarantee policy	2.66	2.66	2.65	2.63	2.64
PS1 100/100 guarantee policy	3.05	3.05	3.04	3.00	3.03
PS 75/75 guarantee policy	1.69	1.70	1.69	1.68	1.67
PS 75/100 guarantee policy	2.08	2.07	2.06	2.04	—
PPS 75/75 guarantee policy	1.45	1.45	1.45	1.43	1.42
PPS 75/100 guarantee policy	1.56	1.56	1.56	—	—

Portfolio Turnover Rate (%) ⁽²⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	5.66	6.70	32.76	32.07	13.49

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
INCOME FOCUS FUND SF631

December 31, 2023

Independent Auditor's Report

To the Contractholders of Income Focus Fund SF631 (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

Income Focus Fund SF631

(in Canadian \$ thousands)

Fund Manager: Portfolio Solutions Group, a division of Canada Life Investment Management Ltd.

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ —	\$ —
Investment income due and accrued	—	—
Due from The Canada Life Assurance Company (note 8)	—	—
Due from brokers	—	—
Due from outside parties	—	—
Investments		
Investment fund units (note 3)	55,246	58,703
Total investments	55,246	58,703
Total assets	\$ 55,246	\$ 58,703
Liabilities		
Overdrafts	\$ —	\$ —
Due to The Canada Life Assurance Company (note 8)	—	—
Due to brokers	—	—
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	—	—
Net assets attributable to contractholders	\$ 55,246	\$ 58,703

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 3,687	\$ (5,721)
Miscellaneous income (loss)	—	—
Total income (loss)	3,687	(5,721)
Expenses		
Management fees (note 8)	1,288	1,404
Other	127	142
Total expenses	1,415	1,546
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 2,272	\$ (7,267)

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year		
	\$ 58,703	\$ 76,881
Contractholder deposits	5,158	982
Contractholder withdrawals	(10,887)	(11,893)
Increase (decrease) in net assets from operations attributable to contractholders	2,272	(7,267)
Change in net assets attributable to contractholders	(3,457)	(18,178)
Net assets attributable to contractholders - end of year	\$ 55,246	\$ 58,703

Income Focus Fund SF631

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 2,272	\$ (7,267)
Adjustments		
Realized (gains) losses	(1,907)	(2,024)
Unrealized (gains) losses	(1,780)	7,745
Gross proceeds of disposition of investments	28,987	17,482
Gross payments for the purchase of investments	(21,843)	(5,025)
	<u>5,729</u>	<u>10,911</u>
Financing Activities		
Contractholder deposits	5,158	982
Contractholder withdrawals	(10,887)	(11,893)
	<u>(5,729)</u>	<u>(10,911)</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	—	—
Cash, short-term deposits and overdrafts, beginning of year	—	—
Cash, short-term deposits and overdrafts, end of year	<u>\$ —</u>	<u>\$ —</u>

Income Focus Fund SF631

Schedule of Investment Portfolio

(in Canadian \$ thousands)

As at December 31, 2023

	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units		
Canadian Equity Fund S-285LL	350	386
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Royal Bank of Canada	6.88%	
The Toronto-Dominion Bank	6.07%	
Mackenzie US Large Cap Index ETF *	4.42%	
Canadian Natural Resources Ltd.	3.97%	
Bank of Montreal	3.94%	
Core Bond Fund (PIM) SF531	9,951	10,606
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Government of Canada 2.75% 06-01-2033	9.86%	
Province of Ontario 3.65% 06-02-2033	8.71%	
Province of Quebec 4.40% 12-01-2055	3.28%	
Province of Quebec 3.60% 09-01-2033	2.81%	
United States Treasury Inflation Index 0.50% 04-15-2024 Real Return	2.52%	
Enhanced Dividend Fund (Laketon) SF039	1,170	1,547
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Royal Bank of Canada	8.25%	
Bank of Montreal	6.23%	
The Toronto-Dominion Bank	5.94%	
TELUS Corp.	4.50%	
Canadian Natural Resources Ltd.	4.49%	
Fixed Income Fund (Laketon) SF019	16,305	17,567
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Province of Ontario 3.65% 06-02-2033	6.69%	
Government of Canada 2.75% 06-01-2033	4.45%	
Province of Quebec 3.60% 09-01-2033	3.59%	
Province of Quebec 4.40% 12-01-2055	3.19%	
Mackenzie Canadian Aggregate Bond Index ETF *	2.79%	
Global Dividend Fund (SAM) SF528	1,434	1,547
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
CRH PLC	4.21%	
DCC PLC	3.99%	
Sanofi SA	3.79%	
Novartis AG	3.75%	
Allianz SE	3.57%	

*The issuer of this security is a related company to the issuer of the Fund.

Income Focus Fund SF631

Schedule of Investment Portfolio

(in Canadian \$ thousands)

As at December 31, 2023

	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units (continued)		
Global Future Fund S-183MF	703	773
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Schneider Electric SE	4.23%	
Microsoft Corp.	4.19%	
Roper Technologies Inc.	4.04%	
Cash and short-term deposits	3.76%	
Accenture PLC Class A	3.68%	
Global Infrastructure Equity Fund (London Capital) SF515	917	1,160
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Aena SM	5.92%	
Iberdrola SA	3.79%	
Enel SPA	3.69%	
NextEra Energy Inc.	3.32%	
Transurban Group Stapled Security	3.24%	
Global Unconstrained Fund (Mackenzie) SF530	3,544	4,116
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Cash and short-term deposits	3.34%	
United States Treasury Inflation Index 0.50% 04-15-2024 Real Return	2.58%	
United States Treasury 0.13% 07-15-2024 Inflation Indexed	2.42%	
Mackenzie Canadian All Corporate Bond Index ETF *	2.38%	
United States Treasury 3.50% 02-15-2033	1.95%	
International Bond Fund (Laketon) SF036	1,440	1,436
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Buoni del Tesoro Poliennali 1.25% 12-01-2026	4.17%	
Government of Japan 0.40% 09-20-2025	2.81%	
Buoni del Tesoro Poliennali 0.35% 02-01-2025	2.73%	
United States Treasury 1.375% 08-31-2026	2.42%	
United States Treasury 2.75% 11-15-2042	2.41%	
Long Term Bond Fund (PIM) SF818	3,302	3,536
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Government of Canada 2.00% 12-01-2051	3.22%	
Government of Canada 1.75% 12-01-2053	2.56%	
Province of Ontario 2.90% 12-02-2046	2.47%	
Province of Ontario 3.75% 12-02-2053	2.40%	
Province of Ontario 3.45% 06-02-2045	2.35%	

*The issuer of this security is a related company to the issuer of the Fund.

Income Focus Fund SF631

Schedule of Investment Portfolio

(in Canadian \$ thousands)

As at December 31, 2023

	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units (continued)		
North American High Yield Bond Fund (MF) SF819	1,087	1,326
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Mackenzie Global Sustainable High Yield Bond Fund Series R *	3.01%	
Mackenzie Global High Yield Fixed Income ETF *	1.88%	
Keyera Corp. 6.875% 06-13-2029	1.13%	
Inter Pipeline Ltd. 6.875% 03-26-2079	1.09%	
Enbridge Inc. 5.375% 09-27-2077	1.01%	
Pathways Canadian Equity Fund (GWLIM) SF543	1,060	1,160
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Royal Bank of Canada	7.64%	
The Toronto-Dominion Bank	6.60%	
Bank of Montreal	4.89%	
Canadian Natural Resources Ltd.	4.03%	
Canadian Pacific Kansas City Ltd.	3.70%	
Pathways Global Multi Sector Bond Fund (Brandywine) SF542	1,025	1,105
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
United States Treasury Floating Rate 01-31-2025	21.14%	
Cash and short-term deposits	6.08%	
United Kingdom Gilt 3.75% 10-22-2053	5.77%	
United Mexican States 8.00% 07-31-2053	4.47%	
Republic of Columbia 7.00% 03-26-2031	3.79%	
Private Credit Fund 1.76NL	297	307
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Any Hour Services 6.50% 07-21-2027	3.51%	
Beacon Mobility 6.13% 12-31-2025	3.42%	
Apex Service Partners 5.50% 07-31-2025	2.84%	
Nordic Capital Fund X 5.25% 07-03-2028	2.65%	
Hg Mercury 3 A LP 7.25% 10-07-2027	2.59%	
Real Estate Fund (GWLRA) SF353	2,545	3,315
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Laird Business Park	5.84%	
Livmore High Park	4.88%	
High Park Village - West Tower	4.67%	
Grenadier Square	4.00%	
Cash and short-term deposits	3.96%	

*The issuer of this security is a related company to the issuer of the Fund.

Income Focus Fund SF631

Schedule of Investment Portfolio

(in Canadian \$ thousands)

As at December 31, 2023

	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units (continued)		
Real Return Bond Fund (PIM) SF820	2,117	2,210
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Government of Canada 4.00% 12-01-2031 Real Return	14.57%	
Government of Canada 1.50% 12-01-2044 Real Return	13.33%	
Government of Canada 2.00% 12-01-2041 Real Return	12.52%	
Government of Canada 3.00% 12-01-2036 Real Return	12.31%	
Government of Canada 1.25% 12-01-2047 Real Return	11.89%	
Short Term Bond Fund (PIM) SF816	1,919	1,989
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Province of Ontario 3.60% 03-08-2028	11.91%	
Government of Canada 3.25% 09-01-2028	7.29%	
Canada Housing Trust No. 1 1.25% 06-15-2026	6.89%	
Province of Ontario 3.40% 09-08-2028	3.71%	
Province of Quebec 2.75% 09-01-2025	3.70%	
U.S. Dividend Fund (GWLIM) SF522	1,089	1,160
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Microsoft Corp.	6.40%	
Alphabet Inc. Class A	4.06%	
Broadcom Inc.	3.53%	
Apple Inc.	3.21%	
Eaton Corp. PLC	3.10%	
Total Investments	50,255	55,246

Income Focus Fund SF631

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Net Assets Attributable to Contractholders by Category

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
Generations/Mosaic	252,216	347,445	410,694	442,691	498,043	3,566	4,721	6,219	6,784	7,333
Generations I	449,073	581,885	806,531	906,881	981,640	6,450	8,024	12,380	14,072	14,619
Generations II	71,563	80,072	96,229	110,944	117,662	955	1,027	1,376	1,605	1,635
Generations Core	43,391	53,183	64,065	73,887	85,970	597	701	938	1,091	1,216
75/75 guarantee policy	361,763	425,287	752,969	715,770	307,230	4,725	5,322	10,465	10,034	4,125
75/100 guarantee policy	1,882,819	1,996,693	2,122,535	2,190,046	1,845,401	24,166	24,604	29,114	30,367	24,559
100/100 guarantee policy	146,874	164,306	194,488	185,148	187,732	1,858	1,998	2,635	2,540	2,474
PS1 75/75 guarantee policy	136,409	104,017	111,153	111,347	79,112	1,695	1,235	1,461	1,472	998
PS1 75/100 guarantee policy	609,551	605,928	615,719	738,996	453,771	7,471	7,102	8,000	9,668	5,674
PS1 100/100 guarantee policy	70,162	69,836	109,930	125,174	66,666	848	808	1,412	1,620	826
PS2 75/75 guarantee policy	2,697	2,667	1,947	67	68	43	39	31	1	1
PS2 75/100 guarantee policy	66,161	127,544	86,511	82,162	75,618	1,048	1,891	1,391	1,301	1,120
PS2 100/100 guarantee policy	—	—	5,938	—	5,513	—	—	95	—	81
PS 75/75 guarantee policy	11,231	12,421	15,610	18,267	9,253	121	127	175	204	98
PS 75/100 guarantee policy	155,419	103,875	101,452	123,636	45,718	1,652	1,049	1,128	1,374	482
PS 100/100 guarantee policy	49	49	—	—	—	1	—	—	—	—
PPS 75/100 guarantee policy	4,631	5,341	5,402	3,243	—	50	55	61	36	—

Net Assets Attributable to Contractholders Per Unit (note 7)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
Generations/Mosaic	14.14	13.59	15.14	15.33	14.72	0.55	(1.55)
Generations I	14.36	13.79	15.35	15.52	14.89	0.57	(1.56)
Generations II	13.35	12.83	14.29	14.47	13.90	0.52	(1.46)
Generations Core	13.76	13.18	14.64	14.77	14.15	0.58	(1.46)
75/75 guarantee policy	13.06	12.51	13.90	14.02	13.43	0.55	(1.39)
75/100 guarantee policy	12.83	12.32	13.72	13.87	13.31	0.51	(1.40)
100/100 guarantee policy	12.65	12.16	13.55	13.71	13.18	0.49	(1.39)
PS1 75/75 guarantee policy	12.43	11.87	13.14	13.22	12.62	0.56	(1.27)
PS1 75/100 guarantee policy	12.26	11.72	12.99	13.08	12.51	0.54	(1.27)
PS1 100/100 guarantee policy	12.09	11.57	12.84	12.94	12.39	0.52	(1.27)
PS2 75/75 guarantee policy	15.81	14.78	16.03	15.79	14.77	1.03	(1.25)
PS2 75/100 guarantee policy	15.85	14.83	16.08	15.83	14.81	1.02	(1.25)
PS2 100/100 guarantee policy	—	—	16.00	—	14.74	—	—
PS 75/75 guarantee policy	10.76	10.20	11.20	11.18	10.59	0.56	(1.00)
PS 75/100 guarantee policy	10.63	10.10	11.12	11.11	10.55	0.53	(1.02)
PS 100/100 guarantee policy	10.58	10.05	—	—	—	0.53	(1.02)
PPS 75/100 guarantee policy	10.87	10.28	11.27	11.23	—	0.59	(0.99)

Income Focus Fund SF631

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Income Focus Fund SF631 (the Fund) is offered by The Canada Life Assurance Company (Canada Life or the Company).

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

Income Focus Fund SF631

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

Income Focus Fund SF631

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in note 9 on Financial Instrument Risk Management.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

Income Focus Fund SF631

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Investment Fund Units

Investment fund units are recorded at fair value, which is the closing net asset value (NAV) per unit of the underlying fund.

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Income Focus Fund SF631

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

Income Focus Fund SF631

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

k) Income Allocation

Net gain (loss) on investments, which includes realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the NAV per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

3. INVESTMENT FUND UNITS

Investment fund units of the Fund invest solely in units of other segregated investment funds of Canada Life. Units are valued based on the closing unit values of the underlying funds.

Investment activity of the underlying fund indirectly exposes the Fund to financial risk. See note 9 on Financial Instrument Risk Management.

Income Focus Fund SF631

Notes to the Financial Statements

(in Canadian \$ thousands)

4. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Emperor,
- Flex,
- Generations/Mosaic,
- Generations I,
- Generations II,
- Generations Core,
- Prestige/Prestige Plus, and
- Private Collections.

In addition to the Individual units, units are available for:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

The categories of units are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

Income Focus Fund SF631

Notes to the Financial Statements

(in Canadian \$ thousands)

5. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

6. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

7. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

Income Focus Fund SF631

Notes to the Financial Statements

(in Canadian \$ thousands)

8. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.
- c) The Fund invests in assets or underlying funds managed by Canada Life Investment Management Ltd. All investment transactions with the corresponding underlying funds are at quoted market prices.

Income Focus Fund SF631

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT

a) Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023. The following sections describe the significant risks that are relevant to the Fund.

The Fund employs a passive investment strategy whereby investments in underlying funds are based on target asset weightings. The target weightings allocated to each underlying fund and the selection of underlying funds are based on several factors, including impact to the Fund's volatility and asset class diversification. Significant changes to the selection of underlying funds or the target asset weightings attributed to each underlying fund require contractholder notification. To assist with managing risk, the Fund Manager also maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and other regulations. Financial statements for the underlying funds, which include discussions about their respective risk exposure, are available upon request.

b) Liquidity Risk

Liquidity risk arises when a Fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units. As the Fund primarily invests all of its net assets in the underlying funds, liquidity risk is mitigated by the underlying funds' ability to meet the obligation to fund daily cash redemptions of their redeemable units/shares. In addition, the underlying funds retain sufficient cash and cash equivalent positions to maintain adequate liquidity.

c) Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The Fund's investments in all underlying funds are denominated in Canadian dollars. However, the Fund is indirectly exposed to currency risk to the extent that the investments of the underlying funds are denominated or traded in a foreign currency.

d) Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund does not directly hold any interest-bearing financial instruments. The Fund is indirectly exposed to the risk that the value of interest-bearing financial instruments held by the underlying funds will fluctuate due to changes in the prevailing levels of market interest rates.

e) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund has no direct exposure to credit risk. The greatest indirect concentration of credit risk is in debt securities, such as bonds, held by underlying funds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer. The carrying amount of debt investments represents the maximum credit risk exposure as at December 31, 2023.

f) Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. For the instruments held by the Fund, maximum risk of loss is equivalent to their fair value. The Fund Manager moderates this risk through a careful selection of underlying funds within the parameters of the investment strategy.

Income Focus Fund SF631

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT (continued)

g) Fair Value Classification

Investment Fund Units are recorded at fair value, which is the closing NAV per unit of the underlying fund. This valuation is considered to be a Level 2 classification.

Income Focus Fund SF631

Supplemental Information (unaudited)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾

For the years ended December 31	2023	2022	2021	2020	2019
Generations/Mosaic	2.71	2.73	2.73	2.71	2.72
Generations I	2.60	2.62	2.62	2.60	2.61
Generations II	2.71	2.73	2.73	2.71	2.72
Generations Core	2.39	2.40	2.40	2.38	2.39
75/75 guarantee policy	2.39	2.41	2.39	2.38	2.38
75/100 guarantee policy	2.60	2.61	2.62	2.60	2.61
100/100 guarantee policy	2.71	2.73	2.73	2.71	2.72
PS1 75/75 guarantee policy	2.09	2.10	2.10	2.09	2.08
PS1 75/100 guarantee policy	2.20	2.21	2.22	2.19	2.20
PS1 100/100 guarantee policy	2.31	2.33	2.33	2.30	2.31
PS 75/75 guarantee policy	1.29	1.30	1.30	1.29	1.28
PS 75/100 guarantee policy	1.51	1.51	1.52	1.50	1.50
PS 100/100 guarantee policy	1.62	1.63	—	—	—
PPS 75/100 guarantee policy	1.11	1.11	1.11	1.10	—

Portfolio Turnover Rate (%) ⁽²⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	37.66	7.83	10.99	15.15	13.38

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
INCOME GROWTH FUND SF632

December 31, 2023

Independent Auditor's Report

To the Contractholders of Income Growth Fund SF632 (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

Income Growth Fund SF632

(in Canadian \$ thousands)

Fund Manager: Portfolio Solutions Group, a division of Canada Life Investment Management Ltd.

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ —	\$ —
Investment income due and accrued	—	—
Due from The Canada Life Assurance Company (note 8)	—	—
Due from brokers	—	—
Due from outside parties	—	—
Investments		
Investment fund units (note 3)	41,513	43,343
Total investments	41,513	43,343
Total assets	\$ 41,513	\$ 43,343
Liabilities		
Overdrafts	\$ —	\$ —
Due to The Canada Life Assurance Company (note 8)	—	—
Due to brokers	—	—
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	—	—
Net assets attributable to contractholders	\$ 41,513	\$ 43,343

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 2,926	\$ (3,561)
Miscellaneous income (loss)	—	—
Total income (loss)	2,926	(3,561)
Expenses		
Management fees (note 8)	949	1,035
Other	99	106
Total expenses	1,048	1,141
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 1,878	\$ (4,702)

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year	\$ 43,343	\$ 49,093
Contractholder deposits	5,097	7,040
Contractholder withdrawals	(8,805)	(8,088)
Increase (decrease) in net assets from operations attributable to contractholders	1,878	(4,702)
Change in net assets attributable to contractholders	(1,830)	(5,750)
Net assets attributable to contractholders - end of year	\$ 41,513	\$ 43,343

Income Growth Fund SF632

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 1,878	\$ (4,702)
Adjustments		
Realized (gains) losses	(2,931)	(1,421)
Unrealized (gains) losses	5	4,982
Gross proceeds of disposition of investments	24,102	9,049
Gross payments for the purchase of investments	(19,346)	(6,860)
	<u>3,708</u>	<u>1,048</u>
Financing Activities		
Contractholder deposits	5,097	7,040
Contractholder withdrawals	(8,805)	(8,088)
	<u>(3,708)</u>	<u>(1,048)</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	—	—
Cash, short-term deposits and overdrafts, beginning of year	—	—
Cash, short-term deposits and overdrafts, end of year	<u>\$ —</u>	<u>\$ —</u>

Income Growth Fund SF632

Schedule of Investment Portfolio

(in Canadian \$ thousands)

As at December 31, 2023

	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units		
Canadian Equity Fund S-285LL	509	561
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Royal Bank of Canada	6.88%	
The Toronto-Dominion Bank	6.07%	
Mackenzie US Large Cap Index ETF *	4.42%	
Canadian Natural Resources Ltd.	3.97%	
Bank of Montreal	3.94%	
Core Bond Fund (PIM) SF531	6,077	6,479
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Government of Canada 2.75% 06-01-2033	9.86%	
Province of Ontario 3.65% 06-02-2033	8.71%	
Province of Quebec 4.40% 12-01-2055	3.28%	
Province of Quebec 3.60% 09-01-2033	2.81%	
United States Treasury Inflation Index 0.50% 04-15-2024 Real Return	2.52%	
Enhanced Dividend Fund (Laketon) SF039	1,698	2,244
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Royal Bank of Canada	8.25%	
Bank of Montreal	6.23%	
The Toronto-Dominion Bank	5.94%	
TELUS Corp.	4.50%	
Canadian Natural Resources Ltd.	4.49%	
Fixed Income Fund (Laketon) SF019	9,833	10,738
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Province of Ontario 3.65% 06-02-2033	6.69%	
Government of Canada 2.75% 06-01-2033	4.45%	
Province of Quebec 3.60% 09-01-2033	3.59%	
Province of Quebec 4.40% 12-01-2055	3.19%	
Mackenzie Canadian Aggregate Bond Index ETF *	2.79%	
Global Dividend Fund (SAM) SF528	2,084	2,244
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
CRH PLC	4.21%	
DCC PLC	3.99%	
Sanofi SA	3.79%	
Novartis AG	3.75%	
Allianz SE	3.57%	

*The issuer of this security is a related company to the issuer of the Fund.

Income Growth Fund SF632

Schedule of Investment Portfolio

(in Canadian \$ thousands)

As at December 31, 2023

	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units (continued)		
Global Future Fund S-183MF	1,016	1,121
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Schneider Electric SE	4.23%	
Microsoft Corp.	4.19%	
Roper Technologies Inc.	4.04%	
Cash and short-term deposits	3.76%	
Accenture PLC Class A	3.68%	
Global Infrastructure Equity Fund (London Capital) SF515	1,282	1,682
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Aena SM	5.92%	
Iberdrola SA	3.79%	
Enel SPA	3.69%	
NextEra Energy Inc.	3.32%	
Transurban Group Stapled Security	3.24%	
Global Unconstrained Fund (Mackenzie) SF530	2,146	2,513
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Cash and short-term deposits	3.34%	
United States Treasury Inflation Index 0.50% 04-15-2024 Real Return	2.58%	
United States Treasury 0.13% 07-15-2024 Inflation Indexed	2.42%	
Mackenzie Canadian All Corporate Bond Index ETF *	2.38%	
United States Treasury 3.50% 02-15-2033	1.95%	
International Bond Fund (Laketon) SF036	845	871
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Buoni del Tesoro Poliennali 1.25% 12-01-2026	4.17%	
Government of Japan 0.40% 09-20-2025	2.81%	
Buoni del Tesoro Poliennali 0.35% 02-01-2025	2.73%	
United States Treasury 1.375% 08-31-2026	2.42%	
United States Treasury 2.75% 11-15-2042	2.41%	
Long Term Bond Fund (PIM) SF818	2,111	2,156
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Government of Canada 2.00% 12-01-2051	3.22%	
Government of Canada 1.75% 12-01-2053	2.56%	
Province of Ontario 2.90% 12-02-2046	2.47%	
Province of Ontario 3.75% 12-02-2053	2.40%	
Province of Ontario 3.45% 06-02-2045	2.35%	

*The issuer of this security is a related company to the issuer of the Fund.

Income Growth Fund SF632

Schedule of Investment Portfolio

(in Canadian \$ thousands)

As at December 31, 2023

	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units (continued)		
North American High Yield Bond Fund (MF) SF819	665	810
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Mackenzie Global Sustainable High Yield Bond Fund Series R *	3.01%	
Mackenzie Global High Yield Fixed Income ETF *	1.88%	
Keyera Corp. 6.875% 06-13-2029	1.13%	
Inter Pipeline Ltd. 6.875% 03-26-2079	1.09%	
Enbridge Inc. 5.375% 09-27-2077	1.01%	
Pathways Canadian Equity Fund (GWLIM) SF543	1,543	1,683
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Royal Bank of Canada	7.64%	
The Toronto-Dominion Bank	6.60%	
Bank of Montreal	4.89%	
Canadian Natural Resources Ltd.	4.03%	
Canadian Pacific Kansas City Ltd.	3.70%	
Pathways Global Multi Sector Bond Fund (Brandywine) SF542	637	685
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
United States Treasury Floating Rate 01-31-2025	21.14%	
Cash and short-term deposits	6.08%	
United Kingdom Gilt 3.75% 10-22-2053	5.77%	
United Mexican States 8.00% 07-31-2053	4.47%	
Republic of Columbia 7.00% 03-26-2031	3.79%	
Private Credit Fund 1.76NL	184	191
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Any Hour Services 6.50% 07-21-2027	3.51%	
Beacon Mobility 6.13% 12-31-2025	3.42%	
Apex Service Partners 5.50% 07-31-2025	2.84%	
Nordic Capital Fund X 5.25% 07-03-2028	2.65%	
Hg Mercury 3 A LP 7.25% 10-07-2027	2.59%	
Real Estate Fund (GWLRA) SF353	2,423	3,300
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Laird Business Park	5.84%	
Livmore High Park	4.88%	
High Park Village - West Tower	4.67%	
Grenadier Square	4.00%	
Cash and short-term deposits	3.96%	

*The issuer of this security is a related company to the issuer of the Fund.

Income Growth Fund SF632

Schedule of Investment Portfolio

(in Canadian \$ thousands)

As at December 31, 2023

	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units (continued)		
Real Return Bond Fund (PIM) SF820	1,227	1,348
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Government of Canada 4.00% 12-01-2031 Real Return	14.57%	
Government of Canada 1.50% 12-01-2044 Real Return	13.33%	
Government of Canada 2.00% 12-01-2041 Real Return	12.52%	
Government of Canada 3.00% 12-01-2036 Real Return	12.31%	
Government of Canada 1.25% 12-01-2047 Real Return	11.89%	
Short Term Bond Fund (PIM) SF816	1,164	1,205
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Province of Ontario 3.60% 03-08-2028	11.91%	
Government of Canada 3.25% 09-01-2028	7.29%	
Canada Housing Trust No. 1 1.25% 06-15-2026	6.89%	
Province of Ontario 3.40% 09-08-2028	3.71%	
Province of Quebec 2.75% 09-01-2025	3.70%	
U.S. Dividend Fund (GWLIM) SF522	1,577	1,682
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Microsoft Corp.	6.40%	
Alphabet Inc. Class A	4.06%	
Broadcom Inc.	3.53%	
Apple Inc.	3.21%	
Eaton Corp. PLC	3.10%	
Total Investments	37,021	41,513

Income Growth Fund SF632

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Net Assets Attributable to Contractholders by Category

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
Generations/Mosaic	72,713	106,943	110,732	140,904	165,091	1,132	1,597	1,829	2,296	2,616
Generations I	295,074	442,266	654,480	792,638	925,390	4,573	6,566	10,739	12,816	14,533
Generations II	8,831	10,763	11,078	13,501	13,970	124	145	166	199	201
Generations Core	34,878	39,410	46,091	55,373	65,699	514	555	715	844	970
75/75 guarantee policy	366,878	399,427	416,090	337,962	194,645	5,288	5,499	6,314	5,040	2,811
75/100 guarantee policy	1,029,753	1,070,019	1,064,706	1,130,947	969,068	14,553	14,486	15,931	16,674	13,878
100/100 guarantee policy	76,961	92,268	90,709	96,806	71,973	1,055	1,215	1,324	1,396	1,011
PS1 75/75 guarantee policy	470,098	443,315	276,566	201,502	158,278	6,429	5,778	3,963	2,831	2,149
PS1 75/100 guarantee policy	281,594	283,028	277,962	275,091	103,116	3,799	3,642	3,938	3,825	1,387
PS1 100/100 guarantee policy	91,191	94,836	95,706	71,849	67,504	1,205	1,197	1,333	983	895
PS2 75/75 guarantee policy	16,491	16,774	13,501	—	—	291	276	239	—	—
PS2 75/100 guarantee policy	51,812	48,684	52,704	67,684	65,246	915	802	933	1,149	1,047
PS 75/75 guarantee policy	4,715	5,322	5,949	43,675	39,263	52	56	68	486	419
PS 75/100 guarantee policy	94,853	98,470	63,430	63,976	40,062	1,039	1,022	720	707	425
PPS 75/100 guarantee policy	48,561	47,951	76,566	72,884	19,871	544	507	881	814	212
PPS 100/100 guarantee policy	—	—	—	—	43,168	—	—	—	—	460

Net Assets Attributable to Contractholders Per Unit (note 7)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
Generations/Mosaic	15.57	14.93	16.52	16.29	15.84	0.64	(1.59)
Generations I	15.50	14.85	16.41	16.17	15.70	0.65	(1.56)
Generations II	14.03	13.47	14.93	14.75	14.37	0.56	(1.46)
Generations Core	14.73	14.08	15.51	15.24	14.77	0.65	(1.43)
75/75 guarantee policy	14.41	13.77	15.18	14.91	14.44	0.64	(1.41)
75/100 guarantee policy	14.13	13.54	14.96	14.74	14.32	0.59	(1.42)
100/100 guarantee policy	13.71	13.17	14.60	14.42	14.05	0.54	(1.43)
PS1 75/75 guarantee policy	13.68	13.03	14.33	14.05	13.58	0.65	(1.30)
PS1 75/100 guarantee policy	13.49	12.87	14.17	13.90	13.45	0.62	(1.30)
PS1 100/100 guarantee policy	13.21	12.63	13.92	13.69	13.26	0.58	(1.29)
PS2 75/75 guarantee policy	17.66	16.46	17.70	—	—	1.20	(1.24)
PS2 75/100 guarantee policy	17.66	16.46	17.71	16.98	16.05	1.20	(1.25)
PS 75/75 guarantee policy	11.12	10.51	11.45	11.13	10.66	0.61	(0.94)
PS 75/100 guarantee policy	10.95	10.38	11.34	11.06	10.62	0.57	(0.96)
PPS 75/100 guarantee policy	11.20	10.57	11.51	11.17	10.68	0.63	(0.94)
PPS 100/100 guarantee policy	—	—	—	—	10.66	—	—

Income Growth Fund SF632

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Income Growth Fund SF632 (the Fund) is offered by The Canada Life Assurance Company (Canada Life or the Company).

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

Income Growth Fund SF632

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

Income Growth Fund SF632

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in note 9 on Financial Instrument Risk Management.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

Income Growth Fund SF632

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Investment Fund Units

Investment fund units are recorded at fair value, which is the closing net asset value (NAV) per unit of the underlying fund.

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Income Growth Fund SF632

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

Income Growth Fund SF632

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

k) **Income Allocation**

Net gain (loss) on investments, which includes realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the NAV per unit.

l) **Issue and Redemption of Units**

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

3. INVESTMENT FUND UNITS

Investment fund units of the Fund invest solely in units of other segregated investment funds of Canada Life. Units are valued based on the closing unit values of the underlying funds.

Investment activity of the underlying fund indirectly exposes the Fund to financial risk. See note 9 on Financial Instrument Risk Management.

Income Growth Fund SF632

Notes to the Financial Statements

(in Canadian \$ thousands)

4. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Emperor,
- Flex,
- Generations/Mosaic,
- Generations I,
- Generations II,
- Generations Core,
- Prestige/Prestige Plus, and
- Private Collections.

In addition to the Individual units, units are available for:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

The categories of units are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

Income Growth Fund SF632

Notes to the Financial Statements

(in Canadian \$ thousands)

5. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

6. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

7. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

Income Growth Fund SF632

Notes to the Financial Statements

(in Canadian \$ thousands)

8. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.
- c) The Fund invests in assets or underlying funds managed by Canada Life Investment Management Ltd. All investment transactions with the corresponding underlying funds are at quoted market prices.

Income Growth Fund SF632

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT

a) Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023. The following sections describe the significant risks that are relevant to the Fund.

The Fund employs a passive investment strategy whereby investments in underlying funds are based on target asset weightings. The target weightings allocated to each underlying fund and the selection of underlying funds are based on several factors, including impact to the Fund's volatility and asset class diversification. Significant changes to the selection of underlying funds or the target asset weightings attributed to each underlying fund require contractholder notification. To assist with managing risk, the Fund Manager also maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and other regulations. Financial statements for the underlying funds, which include discussions about their respective risk exposure, are available upon request.

b) Liquidity Risk

Liquidity risk arises when a Fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units. As the Fund primarily invests all of its net assets in the underlying funds, liquidity risk is mitigated by the underlying funds' ability to meet the obligation to fund daily cash redemptions of their redeemable units/shares. In addition, the underlying funds retain sufficient cash and cash equivalent positions to maintain adequate liquidity.

c) Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The Fund's investments in all underlying funds are denominated in Canadian dollars. However, the Fund is indirectly exposed to currency risk to the extent that the investments of the underlying funds are denominated or traded in a foreign currency.

d) Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund does not directly hold any interest-bearing financial instruments. The Fund is indirectly exposed to the risk that the value of interest-bearing financial instruments held by the underlying funds will fluctuate due to changes in the prevailing levels of market interest rates.

e) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund has no direct exposure to credit risk. The greatest indirect concentration of credit risk is in debt securities, such as bonds, held by underlying funds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer. The carrying amount of debt investments represents the maximum credit risk exposure as at December 31, 2023.

f) Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. For the instruments held by the Fund, maximum risk of loss is equivalent to their fair value. The Fund Manager moderates this risk through a careful selection of underlying funds within the parameters of the investment strategy.

Income Growth Fund SF632

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT (continued)

g) Fair Value Classification

Investment Fund Units are recorded at fair value, which is the closing NAV per unit of the underlying fund. This valuation is considered to be a Level 2 classification.

Income Growth Fund SF632

Supplemental Information (unaudited)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾

For the years ended December 31	2023	2022	2021	2020	2019
Generations/Mosaic	2.84	2.84	2.84	2.84	2.83
Generations I	2.73	2.74	2.73	2.73	2.72
Generations II	3.00	3.00	3.01	3.00	3.00
Generations Core	2.45	2.45	2.46	2.45	2.45
75/75 guarantee policy	2.45	2.45	2.45	2.45	2.45
75/100 guarantee policy	2.73	2.73	2.73	2.73	2.72
100/100 guarantee policy	3.00	3.00	3.00	3.00	3.00
PS1 75/75 guarantee policy	2.21	2.20	2.21	2.21	2.20
PS1 75/100 guarantee policy	2.32	2.32	2.33	2.31	2.32
PS1 100/100 guarantee policy	2.49	2.49	2.49	2.48	2.48
PS 75/75 guarantee policy	1.35	1.35	1.36	1.35	1.33
PS 75/100 guarantee policy	1.63	1.62	1.63	1.62	1.60
PPS 75/100 guarantee policy	1.22	1.23	1.22	1.21	1.19
PPS 100/100 guarantee policy	—	—	—	—	1.37

Portfolio Turnover Rate (%) ⁽²⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	45.25	14.76	15.49	13.82	12.61

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
INCOME GROWTH PLUS FUND SF633

December 31, 2023

Independent Auditor's Report

To the Contractholders of Income Growth Plus Fund SF633 (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

Income Growth Plus Fund SF633

(in Canadian \$ thousands)

Fund Manager: Portfolio Solutions Group, a division of Canada Life Investment Management Ltd.

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ —	\$ —
Investment income due and accrued	—	—
Due from The Canada Life Assurance Company (note 8)	—	—
Due from brokers	—	—
Due from outside parties	—	—
Investments		
Investment fund units (note 3)	52,584	53,795
Total investments	52,584	53,795
Total assets	\$ 52,584	\$ 53,795
Liabilities		
Overdrafts	\$ —	\$ —
Due to The Canada Life Assurance Company (note 8)	—	—
Due to brokers	—	—
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	—	—
Net assets attributable to contractholders	\$ 52,584	\$ 53,795

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 3,807	\$ (3,673)
Miscellaneous income (loss)	—	—
Total income (loss)	3,807	(3,673)
Expenses		
Management fees (note 8)	1,304	1,357
Other	137	138
Total expenses	1,441	1,495
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 2,366	\$ (5,168)

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year	\$ 53,795	\$ 60,283
Contractholder deposits	5,591	6,285
Contractholder withdrawals	(9,168)	(7,605)
Increase (decrease) in net assets from operations attributable to contractholders	2,366	(5,168)
Change in net assets attributable to contractholders	(1,211)	(6,488)
Net assets attributable to contractholders - end of year	\$ 52,584	\$ 53,795

Income Growth Plus Fund SF633

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 2,366	\$ (5,168)
Adjustments		
Realized (gains) losses	(5,554)	(2,241)
Unrealized (gains) losses	1,747	5,914
Gross proceeds of disposition of investments	32,546	10,119
Gross payments for the purchase of investments	(27,528)	(7,304)
	<u>3,577</u>	<u>1,320</u>
Financing Activities		
Contractholder deposits	5,591	6,285
Contractholder withdrawals	(9,168)	(7,605)
	<u>(3,577)</u>	<u>(1,320)</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	—	—
Cash, short-term deposits and overdrafts, beginning of year	—	—
Cash, short-term deposits and overdrafts, end of year	<u>\$ —</u>	<u>\$ —</u>

Income Growth Plus Fund SF633

Schedule of Investment Portfolio

(in Canadian \$ thousands)

As at December 31, 2023

	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units		
Canadian Equity Fund S-285LL	975	1,081
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Royal Bank of Canada	6.88%	
The Toronto-Dominion Bank	6.07%	
Mackenzie US Large Cap Index ETF *	4.42%	
Canadian Natural Resources Ltd.	3.97%	
Bank of Montreal	3.94%	
Core Bond Fund (PIM) SF531	5,924	6,320
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Government of Canada 2.75% 06-01-2033	9.86%	
Province of Ontario 3.65% 06-02-2033	8.71%	
Province of Quebec 4.40% 12-01-2055	3.28%	
Province of Quebec 3.60% 09-01-2033	2.81%	
United States Treasury Inflation Index 0.50% 04-15-2024 Real Return	2.52%	
Enhanced Dividend Fund (Laketon) SF039	3,483	4,327
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Royal Bank of Canada	8.25%	
Bank of Montreal	6.23%	
The Toronto-Dominion Bank	5.94%	
TELUS Corp.	4.50%	
Canadian Natural Resources Ltd.	4.49%	
Fixed Income Fund (Laketon) SF019	9,569	10,478
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Province of Ontario 3.65% 06-02-2033	6.69%	
Government of Canada 2.75% 06-01-2033	4.45%	
Province of Quebec 3.60% 09-01-2033	3.59%	
Province of Quebec 4.40% 12-01-2055	3.19%	
Mackenzie Canadian Aggregate Bond Index ETF *	2.79%	
Global Dividend Fund (SAM) SF528	3,994	4,327
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
CRH PLC	4.21%	
DCC PLC	3.99%	
Sanofi SA	3.79%	
Novartis AG	3.75%	
Allianz SE	3.57%	

*The issuer of this security is a related company to the issuer of the Fund.

Income Growth Plus Fund SF633

Schedule of Investment Portfolio

(in Canadian \$ thousands)

As at December 31, 2023

	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units (continued)		
Global Future Fund S-183MF	1,948	2,150
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Schneider Electric SE	4.23%	
Microsoft Corp.	4.19%	
Roper Technologies Inc.	4.04%	
Cash and short-term deposits	3.76%	
Accenture PLC Class A	3.68%	
Global Infrastructure Equity Fund (London Capital) SF515	2,390	3,232
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Aena SM	5.92%	
Iberdrola SA	3.79%	
Enel SPA	3.69%	
NextEra Energy Inc.	3.32%	
Transurban Group Stapled Security	3.24%	
Global Unconstrained Fund (Mackenzie) SF530	2,134	2,444
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Cash and short-term deposits	3.34%	
United States Treasury Inflation Index 0.50% 04-15-2024 Real Return	2.58%	
United States Treasury 0.13% 07-15-2024 Inflation Indexed	2.42%	
Mackenzie Canadian All Corporate Bond Index ETF *	2.38%	
United States Treasury 3.50% 02-15-2033	1.95%	
International Bond Fund (Laketon) SF036	819	839
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Buoni del Tesoro Poliennali 1.25% 12-01-2026	4.17%	
Government of Japan 0.40% 09-20-2025	2.81%	
Buoni del Tesoro Poliennali 0.35% 02-01-2025	2.73%	
United States Treasury 1.375% 08-31-2026	2.42%	
United States Treasury 2.75% 11-15-2042	2.41%	
Long Term Bond Fund (PIM) SF818	2,016	2,104
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Government of Canada 2.00% 12-01-2051	3.22%	
Government of Canada 1.75% 12-01-2053	2.56%	
Province of Ontario 2.90% 12-02-2046	2.47%	
Province of Ontario 3.75% 12-02-2053	2.40%	
Province of Ontario 3.45% 06-02-2045	2.35%	

*The issuer of this security is a related company to the issuer of the Fund.

Income Growth Plus Fund SF633

Schedule of Investment Portfolio

(in Canadian \$ thousands)

As at December 31, 2023

	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units (continued)		
Pathways Canadian Equity Fund (GWLIM) SF543	2,954	3,244
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Royal Bank of Canada	7.64%	
The Toronto-Dominion Bank	6.60%	
Bank of Montreal	4.89%	
Canadian Natural Resources Ltd.	4.03%	
Canadian Pacific Kansas City Ltd.	3.70%	
Pathways Global Multi Sector Bond Fund (Brandywine) SF542	1,337	1,443
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
United States Treasury Floating Rate 01-31-2025	21.14%	
Cash and short-term deposits	6.08%	
United Kingdom Gilt 3.75% 10-22-2053	5.77%	
United Mexican States 8.00% 07-31-2053	4.47%	
Republic of Columbia 7.00% 03-26-2031	3.79%	
Private Credit Fund 1.76NL	179	185
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Any Hour Services 6.50% 07-21-2027	3.51%	
Beacon Mobility 6.13% 12-31-2025	3.42%	
Apex Service Partners 5.50% 07-31-2025	2.84%	
Nordic Capital Fund X 5.25% 07-03-2028	2.65%	
Hg Mercury 3 A LP 7.25% 10-07-2027	2.59%	
Real Estate Fund (GWLRA) SF353	3,421	4,681
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Laird Business Park	5.84%	
Livmore High Park	4.88%	
High Park Village - West Tower	4.67%	
Grenadier Square	4.00%	
Cash and short-term deposits	3.96%	
Real Return Bond Fund (PIM) SF820	1,195	1,313
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Government of Canada 4.00% 12-01-2031 Real Return	14.57%	
Government of Canada 1.50% 12-01-2044 Real Return	13.33%	
Government of Canada 2.00% 12-01-2041 Real Return	12.52%	
Government of Canada 3.00% 12-01-2036 Real Return	12.31%	
Government of Canada 1.25% 12-01-2047 Real Return	11.89%	

Income Growth Plus Fund SF633

Schedule of Investment Portfolio

(in Canadian \$ thousands)

As at December 31, 2023

	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units (continued)		
Short Term Bond Fund (PIM) SF816	1,138	1,183
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Province of Ontario 3.60% 03-08-2028	11.91%	
Government of Canada 3.25% 09-01-2028	7.29%	
Canada Housing Trust No. 1 1.25% 06-15-2026	6.89%	
Province of Ontario 3.40% 09-08-2028	3.71%	
Province of Quebec 2.75% 09-01-2025	3.70%	
U.S. Dividend Fund (GWLIM) SF522	3,024	3,233
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Microsoft Corp.	6.40%	
Alphabet Inc. Class A	4.06%	
Broadcom Inc.	3.53%	
Apple Inc.	3.21%	
Eaton Corp. PLC	3.10%	
Total Investments	46,500	52,584

Income Growth Plus Fund SF633

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Net Assets Attributable to Contractholders by Category

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
Generations/Mosaic	140,096	170,196	197,109	216,657	211,556	2,417	2,812	3,574	3,764	3,546
Generations I	255,372	298,982	395,002	468,868	585,371	4,385	4,909	7,112	8,079	9,719
Generations II	4,405	4,775	4,815	4,897	5,734	68	71	79	77	87
Generations Core	26,045	43,460	45,388	61,918	58,713	423	673	768	1,000	911
75/75 guarantee policy	284,547	301,153	324,749	345,481	360,599	4,730	4,774	5,630	5,716	5,734
75/100 guarantee policy	1,826,525	1,922,205	1,888,881	1,754,894	1,722,247	29,789	29,980	32,304	28,723	27,163
100/100 guarantee policy	77,308	76,049	78,167	75,429	67,352	1,225	1,156	1,305	1,208	1,042
PS1 75/75 guarantee policy	87,103	110,663	101,484	105,882	101,073	1,359	1,643	1,644	1,633	1,494
PS1 75/100 guarantee policy	461,860	448,817	432,704	342,213	231,938	7,119	6,589	6,938	5,230	3,402
PS1 100/100 guarantee policy	3,151	3,152	3,155	1,710	1,714	48	45	50	26	25
PS2 75/75 guarantee policy	5,326	7,904	11,631	18,505	10,534	109	150	236	349	186
PS2 75/100 guarantee policy	8,889	11,174	13,309	37,831	27,145	182	212	269	712	479
PS2 100/100 guarantee policy	2,153	2,663	3,848	5,149	5,777	44	51	78	97	102
PS 75/75 guarantee policy	686	689	693	696	—	8	8	8	8	—
PS 75/100 guarantee policy	56,896	63,828	24,408	24,058	11,440	653	693	287	268	122
PPS 75/100 guarantee policy	2,138	2,611	89	—	831	25	29	1	—	9

Net Assets Attributable to Contractholders Per Unit (note 7)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
Generations/Mosaic	17.26	16.52	18.13	17.37	16.76	0.74	(1.61)
Generations I	17.17	16.42	18.00	17.23	16.60	0.75	(1.58)
Generations II	15.54	14.89	16.37	15.70	15.16	0.65	(1.48)
Generations Core	16.23	15.48	16.92	16.15	15.52	0.75	(1.44)
75/75 guarantee policy	16.62	15.85	17.34	16.55	15.90	0.77	(1.49)
75/100 guarantee policy	16.31	15.60	17.10	16.37	15.77	0.71	(1.50)
100/100 guarantee policy	15.85	15.19	16.70	16.02	15.47	0.66	(1.51)
PS1 75/75 guarantee policy	15.60	14.85	16.20	15.42	14.78	0.75	(1.35)
PS1 75/100 guarantee policy	15.41	14.68	16.03	15.28	14.67	0.73	(1.35)
PS1 100/100 guarantee policy	15.12	14.43	15.78	15.07	14.48	0.69	(1.35)
PS2 75/75 guarantee policy	20.45	19.01	20.26	18.85	17.66	1.44	(1.25)
PS2 75/100 guarantee policy	20.44	19.00	20.25	18.84	17.65	1.44	(1.25)
PS2 100/100 guarantee policy	20.47	19.03	20.28	18.86	17.67	1.44	(1.25)
PS 75/75 guarantee policy	11.66	11.00	11.89	11.23	—	0.66	(0.89)
PS 75/100 guarantee policy	11.48	10.86	11.78	11.15	10.63	0.62	(0.92)
PPS 75/100 guarantee policy	11.77	11.09	11.96	—	10.69	0.68	(0.87)

Income Growth Plus Fund SF633

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Income Growth Plus Fund SF633 (the Fund) is offered by The Canada Life Assurance Company (Canada Life or the Company).

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

Income Growth Plus Fund SF633

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

Income Growth Plus Fund SF633

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in note 9 on Financial Instrument Risk Management.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

Income Growth Plus Fund SF633

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Investment Fund Units

Investment fund units are recorded at fair value, which is the closing net asset value (NAV) per unit of the underlying fund.

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Income Growth Plus Fund SF633

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

Income Growth Plus Fund SF633

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

k) Income Allocation

Net gain (loss) on investments, which includes realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the NAV per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

3. INVESTMENT FUND UNITS

Investment fund units of the Fund invest solely in units of other segregated investment funds of Canada Life. Units are valued based on the closing unit values of the underlying funds.

Investment activity of the underlying fund indirectly exposes the Fund to financial risk. See note 9 on Financial Instrument Risk Management.

Income Growth Plus Fund SF633

Notes to the Financial Statements

(in Canadian \$ thousands)

4. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Emperor,
- Flex,
- Generations/Mosaic,
- Generations I,
- Generations II,
- Generations Core,
- Prestige/Prestige Plus, and
- Private Collections.

In addition to the Individual units, units are available for:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

The categories of units are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

Income Growth Plus Fund SF633

Notes to the Financial Statements

(in Canadian \$ thousands)

5. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

6. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

7. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year..

Income Growth Plus Fund SF633

Notes to the Financial Statements

(in Canadian \$ thousands)

8. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.
- c) The Fund invests in assets or underlying funds managed by Canada Life Investment Management Ltd. All investment transactions with the corresponding underlying funds are at quoted market prices.

Income Growth Plus Fund SF633

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT

a) Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023. The following sections describe the significant risks that are relevant to the Fund.

The Fund employs a passive investment strategy whereby investments in underlying funds are based on target asset weightings. The target weightings allocated to each underlying fund and the selection of underlying funds are based on several factors, including impact to the Fund's volatility and asset class diversification. Significant changes to the selection of underlying funds or the target asset weightings attributed to each underlying fund require contractholder notification. To assist with managing risk, the Fund Manager also maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and other regulations. Financial statements for the underlying funds, which include discussions about their respective risk exposure, are available upon request.

b) Liquidity Risk

Liquidity risk arises when a Fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units. As the Fund primarily invests all of its net assets in the underlying funds, liquidity risk is mitigated by the underlying funds' ability to meet the obligation to fund daily cash redemptions of their redeemable units/shares. In addition, the underlying funds retain sufficient cash and cash equivalent positions to maintain adequate liquidity.

c) Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The Fund's investments in all underlying funds are denominated in Canadian dollars. However, the Fund is indirectly exposed to currency risk to the extent that the investments of the underlying funds are denominated or traded in a foreign currency.

d) Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund does not directly hold any interest-bearing financial instruments. The Fund is indirectly exposed to the risk that the value of interest-bearing financial instruments held by the underlying funds will fluctuate due to changes in the prevailing levels of market interest rates.

e) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund has no direct exposure to credit risk. The greatest indirect concentration of credit risk is in debt securities, such as bonds, held by underlying funds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer. The carrying amount of debt investments represents the maximum credit risk exposure as at December 31, 2023.

f) Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. For the instruments held by the Fund, maximum risk of loss is equivalent to their fair value. The Fund Manager moderates this risk through a careful selection of underlying funds within the parameters of the investment strategy.

Income Growth Plus Fund SF633

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT (continued)

g) Fair Value Classification

Investment Fund Units are recorded at fair value, which is the closing NAV per unit of the underlying fund. This valuation is considered to be a Level 2 classification.

Income Growth Plus Fund SF633

Supplemental Information (unaudited)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾

For the years ended December 31	2023	2022	2021	2020	2019
Generations/Mosaic	2.95	2.95	2.95	2.95	2.94
Generations I	2.84	2.84	2.84	2.84	2.83
Generations II	3.06	3.06	3.06	3.06	3.05
Generations Core	2.57	2.56	2.57	2.56	2.56
75/75 guarantee policy	2.57	2.56	2.57	2.56	2.56
75/100 guarantee policy	2.84	2.84	2.84	2.84	2.83
100/100 guarantee policy	3.06	3.06	3.06	3.06	3.05
PS1 75/75 guarantee policy	2.33	2.32	2.33	2.32	2.31
PS1 75/100 guarantee policy	2.44	2.43	2.43	2.43	2.42
PS1 100/100 guarantee policy	2.60	2.60	2.60	2.59	2.58
PS 75/75 guarantee policy	1.47	1.45	1.47	1.46	—
PS 75/100 guarantee policy	1.74	1.72	1.74	1.73	1.72
PPS 75/100 guarantee policy	1.33	1.34	1.34	—	1.34

Portfolio Turnover Rate (%) ⁽²⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	51.76	13.17	22.60	20.73	16.18

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
ESG U.S. EQUITY FUND 2.37JPM

December 31, 2023

Independent Auditor's Report

To the Contractholders of ESG U.S. Equity Fund 2.37JPM (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statement of financial position as at December 31, 2023, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the period then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023, and its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

ESG U.S. Equity Fund 2.37JPM

(in Canadian \$ thousands)

Fund Manager: Canada Life Investment Management Ltd.

Statement of Financial Position

	December 31 2023	December 31 2022
		(note 1)
Assets		
Cash and short-term deposits	\$ —	\$ —
Investment income due and accrued	—	—
Due from The Canada Life Assurance Company (note 8)	—	—
Due from brokers	—	—
Due from outside parties	—	—
Investments		
Investment fund units (note 3)	70	—
Total investments	70	—
Total assets	\$ 70	\$ —
Liabilities		
Overdrafts	\$ —	\$ —
Due to The Canada Life Assurance Company (note 8)	—	—
Due to brokers	—	—
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	—	—
Net assets attributable to contractholders	\$ 70	\$ —

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
		(note 1)
Income		
Net gain (loss) on investments	\$ —	\$ —
Miscellaneous income (loss)	—	—
Total income (loss)	—	—
Expenses		
Management fees (note 8)	—	—
Other	—	—
Total expenses	—	—
Net increase (decrease) in net assets from operations attributable to contractholders	\$ —	\$ —

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
		(note 1)
Net assets attributable to contractholders - beginning of year	\$ —	\$ —
Contractholder deposits	70	—
Contractholder withdrawals	—	—
Increase (decrease) in net assets from operations attributable to contractholders	—	—
Change in net assets attributable to contractholders	70	—
Net assets attributable to contractholders - end of year	\$ 70	\$ —

ESG U.S. Equity Fund 2.37JPM

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
		(note 1)
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ —	\$ —
Adjustments		
Realized (gains) losses	—	—
Unrealized (gains) losses	1	—
Gross proceeds of disposition of investments	1	—
Gross payments for the purchase of investments	(71)	—
Distribution income of underlying mutual fund	(1)	—
Change in due from/to The Canada Life Assurance Company	—	—
Change in due from/to brokers	—	—
	<u>(70)</u>	—
Financing Activities		
Contractholder deposits	70	—
Contractholder withdrawals	—	—
	<u>70</u>	—
Net increase (decrease) in cash, short-term deposits and overdrafts	—	—
Cash, short-term deposits and overdrafts, beginning of year	—	—
Cash, short-term deposits and overdrafts, end of year	<u>\$ —</u>	<u>\$ —</u>

ESG U.S. Equity Fund 2.37JPM

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units)

As at December 31, 2023

	<u>No. of Units</u>	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units			
Canada Life ESG U.S. Equity Fund Series S *	6,100	71	70
Total Investments		71	70

Top 25 Holdings

Security Description	% of Total
Microsoft Corp.	7.33%
Apple Inc.	6.98%
Amazon.com Inc.	3.82%
NVIDIA Corp.	3.26%
Alphabet Inc. Class A	2.09%
Meta Platforms Inc.	1.95%
Alphabet Inc. Class C	1.71%
UnitedHealth Group Inc.	1.60%
Tesla Inc.	1.57%
Visa Inc. Class A	1.52%
Berkshire Hathaway Inc. Class B	1.40%
Mastercard Inc. Class A	1.38%
Exxon Mobil Corp.	1.26%
Eli Lilly and Co.	1.17%
AbbVie Inc.	1.08%
Bank of America Corp.	1.07%
The Coca-Cola Co.	1.01%
Adobe Inc.	0.95%
PepsiCo Inc.	0.95%
Johnson & Johnson Inc.	0.87%
Texas Instruments Inc.	0.83%
Accenture PLC Class A	0.80%
Intuit Inc.	0.79%
ConocoPhillips	0.78%
Costco Wholesale Corp.	0.78%

*The issuer of this security is a related company to the issuer of the Fund.

ESG U.S. Equity Fund 2.37JPM

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Net Assets Attributable to Contractholders by Category (note 1)

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
75/75 guarantee policy	6,852	—	—	—	—	70	—	—	—	—
75/100 guarantee policy	23	—	—	—	—	—	—	—	—	—

Net Assets Attributable to Contractholders Per Unit (notes 1, 7)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
75/75 guarantee policy	10.24	—	—	—	—	10.24	—
75/100 guarantee policy	10.24	—	—	—	—	10.24	—

ESG U.S. Equity Fund 2.37JPM

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The ESG U.S. Equity Fund 2.37JPM (the Fund) is offered by The Canada Life Assurance Company (Canada Life or the Company). The Fund commenced on October 23, 2023 and as a result does not have comparative figures for the prior years.

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

ESG U.S. Equity Fund 2.37JPM

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

ESG U.S. Equity Fund 2.37JPM

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in note 9 on Financial Instrument Risk Management.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

ESG U.S. Equity Fund 2.37JPM

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Investment Fund Units

Investment fund units are recorded at fair value, which is the closing net asset value (NAV) per unit of the underlying fund.

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

ESG U.S. Equity Fund 2.37JPM

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

ESG U.S. Equity Fund 2.37JPM

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

k) Income Allocation

Net gain (loss) on investments, which includes realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the NAV per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

3. INVESTMENT FUND UNITS

Investment fund units of the Fund invest solely in underlying mutual funds.

As the Fund's assets are invested in underlying investment funds, the Fund indirectly pays management fees and operating expenses of the underlying funds. All such charges are included in the management expense ratio of the segregated funds.

Distributions of income from the underlying investment funds are shown as net gain (loss) on investments on the Statement of Comprehensive Income.

Investment activity of the underlying fund indirectly exposes the Fund to financial risk. See note 9 on Financial Instrument Risk Management.

Investments in unconsolidated structured entities

The Company has determined that the Fund meets the definition of an investment entity and as such, accounts for its holdings in unlisted open-ended investment funds at FVTPL. The Company has concluded that the underlying funds in which the Fund invests, but do not consolidate, meet the definition of structured entities because: (i) the voting rights in the underlying funds are not dominant rights in deciding who controls them; (ii) each underlying fund's activities are restricted by its prospectus; and (iii) the underlying funds have narrow and well-defined objectives to provide investment opportunities to investors.

ESG U.S. Equity Fund 2.37JPM

Notes to the Financial Statements

(in Canadian \$ thousands)

4. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

The categories of units, and the various levels within each, are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

ESG U.S. Equity Fund 2.37JPM

Notes to the Financial Statements

(in Canadian \$ thousands)

5. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

6. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

7. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

The NAV per unit for group contractholders has not been shown because it will vary for each sub-class within the group contractholder class based on negotiated expense levels and other factors.

ESG U.S. Equity Fund 2.37JPM

Notes to the Financial Statements

(in Canadian \$ thousands)

8. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.

ESG U.S. Equity Fund 2.37JPM

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT

a) Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023. The following sections describe the significant risks that are relevant to the Fund.

To assist with managing risk, the Fund Manager maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and securities regulations. Financial statements for the underlying funds, which include discussions about their respective risk exposure, are available upon request.

b) Liquidity Risk

Liquidity risk arises when a Fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units. As the Fund primarily invests all of its net assets in the underlying funds, liquidity risk is mitigated by the underlying funds' ability to meet the obligation to fund daily cash redemptions of their redeemable units/shares. In addition, the underlying funds retain sufficient cash and cash equivalent positions to maintain adequate liquidity.

c) Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The Fund's investments in all underlying funds are denominated in Canadian dollars. However, the Fund is indirectly exposed to currency risk to the extent that the investments of the underlying funds are denominated or traded in a foreign currency.

d) Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund does not directly hold any interest-bearing financial instruments. The Fund is indirectly exposed to the risk that the value of interest-bearing financial instruments held by the underlying funds will fluctuate due to changes in the prevailing levels of market interest rates.

e) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund has no direct exposure to credit risk. The greatest indirect concentration of credit risk is in debt securities, such as bonds, held by underlying funds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer.

f) Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. For the instruments held by the Fund, maximum risk of loss is equivalent to their fair value. The Fund Manager moderates this risk through a careful selection of underlying funds within the parameters of the investment strategy.

g) Fair Value Classification

Investment Fund Units are recorded at fair value, which is the closing NAV per unit of the underlying fund. This valuation is considered to be a Level 1 classification.

ESG U.S. Equity Fund 2.37JPM

Supplemental Information *(unaudited)*

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾⁽³⁾

For the years ended December 31	2023	2022	2021	2020	2019
75/75 guarantee policy	2.77	—	—	—	—
75/100 guarantee policy	3.10	—	—	—	—

Portfolio Turnover Rate (%) ⁽²⁾⁽³⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	—	—	—	—	—

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

(3) The Fund commenced on October 23, 2023 and as a result does not have comparative figures for the prior years.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
GLOBAL SMALL-MID CAP GROWTH FUND 2.39MI

December 31, 2023

Independent Auditor's Report

To the Contractholders of Global Small-Mid Cap Growth Fund 2.39MI (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statement of financial position as at December 31, 2023, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the period then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023, and its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

Global Small-Mid Cap Growth Fund 2.39MI

(in Canadian \$ thousands)

Fund Manager: Canada Life Investment Management Ltd.

Statement of Financial Position

	December 31 2023	December 31 2022
		(note 1)
Assets		
Cash and short-term deposits	\$ —	\$ —
Investment income due and accrued	—	—
Due from The Canada Life Assurance Company (note 8)	—	—
Due from brokers	—	—
Due from outside parties	—	—
Investments		
Investment fund units (note 3)	101	—
Total investments	101	—
Total assets	\$ 101	\$ —
Liabilities		
Overdrafts	\$ —	\$ —
Due to The Canada Life Assurance Company (note 8)	—	—
Due to brokers	—	—
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	—	—
Net assets attributable to contractholders	\$ 101	\$ —

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
		(note 1)
Income		
Net gain (loss) on investments	\$ 4	\$ —
Miscellaneous income (loss)	—	—
Total income (loss)	4	—
Expenses		
Management fees (note 8)	—	—
Other	—	—
Total expenses	—	—
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 4	\$ —

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
		(note 1)
Net assets attributable to contractholders - beginning of year		
	\$ —	\$ —
Contractholder deposits	97	—
Contractholder withdrawals	—	—
Increase (decrease) in net assets from operations attributable to contractholders	4	—
Change in net assets attributable to contractholders	101	—
Net assets attributable to contractholders - end of year	\$ 101	\$ —

Global Small-Mid Cap Growth Fund 2.39MI

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
		(note 1)
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 4	\$ —
Adjustments		
Realized (gains) losses	—	—
Unrealized (gains) losses	(1)	—
Gross proceeds of disposition of investments	1	—
Gross payments for the purchase of investments	(98)	—
Distribution income of underlying mutual fund	(3)	—
Change in due from/to The Canada Life Assurance Company	—	—
Change in due from/to brokers	—	—
	<u>(97)</u>	<u>—</u>
Financing Activities		
Contractholder deposits	97	—
Contractholder withdrawals	—	—
	<u>97</u>	<u>—</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	—	—
Cash, short-term deposits and overdrafts, beginning of year	—	—
Cash, short-term deposits and overdrafts, end of year	<u>\$ —</u>	<u>\$ —</u>

Global Small-Mid Cap Growth Fund 2.39MI

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units)

As at December 31, 2023

	<u>No. of Units</u>	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units			
Capital Group Global Equity Fund (Canada) Series I	8	100	101
Total Investments		100	101

Top 25 Holdings

Security Description	% of Total
Charles River Laboratories International Inc.	2.79%
DexCom Inc.	2.72%
Akamai Technologies Inc.	2.68%
Cash and short-term deposits	2.59%
Wabtec Corp.	2.54%
Broadridge Financial Solutions Inc.	2.29%
Exlservice Holdings Inc.	2.24%
Vontier Corp.	2.23%
Bio-Techne Corp.	2.19%
Bright Horizons Family Solutions Inc.	2.18%
MAXIMUS Inc.	2.15%
Cirrus Logic Inc.	2.12%
Frontdoor Inc.	2.04%
Markel Group Inc.	2.00%
CoStar Group Inc.	1.99%
Waters Corp.	1.89%
SS&C Technologies Holdings Inc.	1.87%
Keysight Technologies Inc.	1.79%
Motorola Solutions Inc.	1.59%
Alteryx Inc.	1.55%
Gartner Inc.	1.53%
The Progressive Corp.	1.52%
Allegion PLC	1.50%
Equifax Inc.	1.39%
HealthEquity Inc.	1.34%

Global Small-Mid Cap Growth Fund 2.39MI

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Net Assets Attributable to Contractholders by Category (note 1)

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
75/75 guarantee policy	764	—	—	—	—	8	—	—	—	—
75/100 guarantee policy	263	—	—	—	—	3	—	—	—	—
PS1 75/75 guarantee policy	1,232	—	—	—	—	13	—	—	—	—
PS1 75/100 guarantee policy	749	—	—	—	—	8	—	—	—	—
PS2 75/75 guarantee policy	5,110	—	—	—	—	56	—	—	—	—
PS 75/75 guarantee policy	1,183	—	—	—	—	13	—	—	—	—

Net Assets Attributable to Contractholders Per Unit (notes 1, 7)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
75/75 guarantee policy	10.80	—	—	—	—	10.80	—
75/100 guarantee policy	10.79	—	—	—	—	10.79	—
PS1 75/75 guarantee policy	10.81	—	—	—	—	10.81	—
PS1 75/100 guarantee policy	10.80	—	—	—	—	10.80	—
PS2 75/75 guarantee policy	10.86	—	—	—	—	10.86	—
PS 75/75 guarantee policy	10.82	—	—	—	—	10.82	—

Global Small-Mid Cap Growth Fund 2.39MI

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Global Small-Mid Cap Growth Fund 2.39MI (the Fund) is offered by The Canada Life Assurance Company (Canada Life or the Company). The Fund commenced on October 23, 2023 and as a result does not have comparative figures for the prior years.

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

Global Small-Mid Cap Growth Fund 2.39MI

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

Global Small-Mid Cap Growth Fund 2.39MI

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in note 9 on Financial Instrument Risk Management.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

Global Small-Mid Cap Growth Fund 2.39MI

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Investment Fund Units

Investment fund units are recorded at fair value, which is the closing net asset value (NAV) per unit of the underlying fund.

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Global Small-Mid Cap Growth Fund 2.39MI

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

Global Small-Mid Cap Growth Fund 2.39MI

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

k) **Income Allocation**

Net gain (loss) on investments, which includes realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the NAV per unit.

l) **Issue and Redemption of Units**

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

3. INVESTMENT FUND UNITS

Investment fund units of the Fund invest solely in underlying mutual funds.

As the Fund's assets are invested in underlying investment funds, the Fund indirectly pays management fees and operating expenses of the underlying funds. All such charges are included in the management expense ratio of the segregated funds.

Distributions of income from the underlying investment funds are shown as net gain (loss) on investments on the Statement of Comprehensive Income.

Investment activity of the underlying fund indirectly exposes the Fund to financial risk. See note 9 on Financial Instrument Risk Management.

Investments in unconsolidated structured entities

The Company has determined that the Fund meets the definition of an investment entity and as such, accounts for its holdings in unlisted open-ended investment funds at FVTPL. The Company has concluded that the underlying funds in which the Fund invests, but do not consolidate, meet the definition of structured entities because: (i) the voting rights in the underlying funds are not dominant rights in deciding who controls them; (ii) each underlying fund's activities are restricted by its prospectus; and (iii) the underlying funds have narrow and well-defined objectives to provide investment opportunities to investors.

Global Small-Mid Cap Growth Fund 2.39MI

Notes to the Financial Statements

(in Canadian \$ thousands)

4. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

The categories of units, and the various levels within each, are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

Global Small-Mid Cap Growth Fund 2.39MI

Notes to the Financial Statements

(in Canadian \$ thousands)

5. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

6. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

7. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

The NAV per unit for group contractholders has not been shown because it will vary for each sub-class within the group contractholder class based on negotiated expense levels and other factors.

Global Small-Mid Cap Growth Fund 2.39MI

Notes to the Financial Statements

(in Canadian \$ thousands)

8. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.

Global Small-Mid Cap Growth Fund 2.39MI

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT

a) Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023. The following sections describe the significant risks that are relevant to the Fund.

To assist with managing risk, the Fund Manager maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and securities regulations. Financial statements for the underlying funds, which include discussions about their respective risk exposure, are available upon request.

b) Liquidity Risk

Liquidity risk arises when a Fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units. As the Fund primarily invests all of its net assets in the underlying funds, liquidity risk is mitigated by the underlying funds' ability to meet the obligation to fund daily cash redemptions of their redeemable units/shares. In addition, the underlying funds retain sufficient cash and cash equivalent positions to maintain adequate liquidity.

c) Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The Fund's investments in all underlying funds are denominated in Canadian dollars. However, the Fund is indirectly exposed to currency risk to the extent that the investments of the underlying funds are denominated or traded in a foreign currency.

d) Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund does not directly hold any interest-bearing financial instruments. The Fund is indirectly exposed to the risk that the value of interest-bearing financial instruments held by the underlying funds will fluctuate due to changes in the prevailing levels of market interest rates.

e) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund has no direct exposure to credit risk. The greatest indirect concentration of credit risk is in debt securities, such as bonds, held by underlying funds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer.

f) Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. For the instruments held by the Fund, maximum risk of loss is equivalent to their fair value. The Fund Manager moderates this risk through a careful selection of underlying funds within the parameters of the investment strategy.

g) Fair Value Classification

Investment Fund Units are recorded at fair value, which is the closing NAV per unit of the underlying fund. This valuation is considered to be a Level 1 classification.

Global Small-Mid Cap Growth Fund 2.39MI

Supplemental Information *(unaudited)*

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾⁽⁴⁾

For the years ended December 31	2023	2022	2021	2020	2019
75/75 guarantee policy	2.94	—	—	—	—
75/100 guarantee policy	3.39	—	—	—	—
PS1 75/75 guarantee policy	2.60	—	—	—	—
PS1 75/100 guarantee policy	3.03	—	—	—	—
PS 75/75 guarantee policy	1.84	—	—	—	—

Unsubsidized Management Expense Ratio (%) ⁽²⁾⁽⁴⁾

For the years ended December 31	2023	2022	2021	2020	2019
PS1 75/75 guarantee policy	2.62	—	—	—	—
PS1 75/100 guarantee policy	3.05	—	—	—	—

Portfolio Turnover Rate (%) ⁽³⁾⁽⁴⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	2.12	—	—	—	—

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The Company has waived a portion of the fees for the Preferred Series 1 and Preferred Partner Series guarantee policies. There is no obligation for the Company to continue waiving these fees and it may cease to do so at any time without notice.

(3) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

(4) The Fund commenced on October 23, 2023 and as a result does not have comparative figures for the prior years.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
CANADA LIFE DIVERSIFIED REAL ASSETS FUND 2.40CS

December 31, 2023

Independent Auditor's Report

To the Contractholders of Canada Life Diversified Real Assets Fund 2.40CS (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statement of financial position as at December 31, 2023, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the period then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023, and its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

Canada Life Diversified Real Assets Fund 2.40CS

(in Canadian \$ thousands)

Fund Manager: Canada Life Investment Management Ltd.

Statement of Financial Position

	December 31 2023	December 31 2022
		(note 1)
Assets		
Cash and short-term deposits	\$ —	\$ —
Investment income due and accrued	—	—
Due from The Canada Life Assurance Company (note 8)	50	—
Due from brokers	—	—
Due from outside parties	—	—
Investments		
Investment fund units (note 3)	1,097	—
Total investments	1,097	—
Total assets	\$ 1,147	\$ —
Liabilities		
Overdrafts	\$ —	\$ —
Due to The Canada Life Assurance Company (note 8)	—	—
Due to brokers	—	—
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	—	—
Net assets attributable to contractholders	\$ 1,147	\$ —

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
		(note 1)
Income		
Net gain (loss) on investments	\$ 13	\$ —
Miscellaneous income (loss)	—	—
Total income (loss)	13	—
Expenses		
Management fees (note 8)	2	—
Other	—	—
Total expenses	2	—
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 11	\$ —

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
		(note 1)
Net assets attributable to contractholders - beginning of year	\$ —	\$ —
Contractholder deposits	1,137	—
Contractholder withdrawals	(1)	—
Increase (decrease) in net assets from operations attributable to contractholders	11	—
Change in net assets attributable to contractholders	1,147	—
Net assets attributable to contractholders - end of year	\$ 1,147	\$ —

Canada Life Diversified Real Assets Fund 2.40CS

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
		(note 1)
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 11	\$ —
Adjustments		
Realized (gains) losses	—	—
Unrealized (gains) losses	9	—
Gross proceeds of disposition of investments	2	—
Gross payments for the purchase of investments	(1,086)	—
Distribution income of underlying mutual fund	(22)	—
Change in due from/to The Canada Life Assurance Company	(50)	—
Change in due from/to brokers	—	—
	<u>(1,136)</u>	—
Financing Activities		
Contractholder deposits	1,137	—
Contractholder withdrawals	(1)	—
	<u>1,136</u>	—
Net increase (decrease) in cash, short-term deposits and overdrafts	—	—
Cash, short-term deposits and overdrafts, beginning of year	—	—
Cash, short-term deposits and overdrafts, end of year	<u>\$ —</u>	<u>\$ —</u>

Canada Life Diversified Real Assets Fund 2.40CS

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units)

As at December 31, 2023

	<u>No. of Units</u>	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units			
Capital Group Global Equity Fund (Canada) Series I	110	1,107	1,097
Total Investments		1,107	1,097

Top 25 Holdings

Security Description	% of Total
abrdn Bloomberg All Commodity Strategy	2.98%
American Tower Corp. REIT Class A	2.58%
SPDR Portfolio Short Term Corporate Bond ETF	2.41%
Cash and short-term deposits	2.39%
BHP Group Ltd.	2.06%
Shell PLC	1.87%
TC Energy Corp.	1.76%
Vinci SA	1.76%
National Grid PLC	1.40%
CF Industries Holdings Inc.	1.39%
Chevron Corp.	1.37%
Cheniere Energy Inc.	1.36%
ProLogis Inc. REIT	1.24%
Glencore Xstrata PLC	1.19%
SBA Communications Corp.	1.19%
ONEOK Inc.	1.18%
Sempra Energy	1.12%
Cellnex Telecom SAU	1.10%
BP PLC	1.08%
Enbridge Inc.	1.08%
Welltower Inc.	1.07%
Nutrien Ltd.	1.06%
Exxon Mobil Corp.	1.05%
Agnico Eagle Mines Ltd.	1.00%
TotalEnergies SE	0.99%

Canada Life Diversified Real Assets Fund 2.40CS

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Net Assets Attributable to Contractholders by Category (note 1)

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
75/75 guarantee policy	6,705	—	—	—	—	70	—	—	—	—
75/100 guarantee policy	40,549	—	—	—	—	422	—	—	—	—
PS1 75/75 guarantee policy	11,405	—	—	—	—	119	—	—	—	—
PS1 75/100 guarantee policy	34,750	—	—	—	—	362	—	—	—	—
PS2 75/75 guarantee policy	16,411	—	—	—	—	172	—	—	—	—
PPS 75/75 guarantee policy	196	—	—	—	—	2	—	—	—	—

Net Assets Attributable to Contractholders Per Unit (notes 1, 7)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
75/75 guarantee policy	10.42	—	—	—	—	10.42	—
75/100 guarantee policy	10.41	—	—	—	—	10.41	—
PS1 75/75 guarantee policy	10.42	—	—	—	—	10.42	—
PS1 75/100 guarantee policy	10.42	—	—	—	—	10.42	—
PS2 75/75 guarantee policy	10.48	—	—	—	—	10.48	—
PPS 75/75 guarantee policy	10.44	—	—	—	—	10.44	—

Canada Life Diversified Real Assets Fund 2.40CS

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Canada Life Diversified Real Assets Fund 2.40CS (the Fund) is offered by The Canada Life Assurance Company (Canada Life or the Company). The Fund commenced on October 23, 2023 and as a result does not have comparative figures for the prior years.

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

Canada Life Diversified Real Assets Fund 2.40CS

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

Canada Life Diversified Real Assets Fund 2.40CS

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in note 9 on Financial Instrument Risk Management.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

Canada Life Diversified Real Assets Fund 2.40CS

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Investment Fund Units

Investment fund units are recorded at fair value, which is the closing net asset value (NAV) per unit of the underlying fund.

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Canada Life Diversified Real Assets Fund 2.40CS

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

Canada Life Diversified Real Assets Fund 2.40CS

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

k) Income Allocation

Net gain (loss) on investments, which includes realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the NAV per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

3. INVESTMENT FUND UNITS

Investment fund units of the Fund invest solely in underlying mutual funds.

As the Fund's assets are invested in underlying investment funds, the Fund indirectly pays management fees and operating expenses of the underlying funds. All such charges are included in the management expense ratio of the segregated funds.

Distributions of income from the underlying investment funds are shown as net gain (loss) on investments on the Statement of Comprehensive Income.

Investment activity of the underlying fund indirectly exposes the Fund to financial risk. See note 9 on Financial Instrument Risk Management.

Investments in unconsolidated structured entities

The Company has determined that the Fund meets the definition of an investment entity and as such, accounts for its holdings in unlisted open-ended investment funds at FVTPL. The Company has concluded that the underlying funds in which the Fund invests, but do not consolidate, meet the definition of structured entities because: (i) the voting rights in the underlying funds are not dominant rights in deciding who controls them; (ii) each underlying fund's activities are restricted by its prospectus; and (iii) the underlying funds have narrow and well-defined objectives to provide investment opportunities to investors.

Canada Life Diversified Real Assets Fund 2.40CS

Notes to the Financial Statements

(in Canadian \$ thousands)

4. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

The categories of units, and the various levels within each, are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

Canada Life Diversified Real Assets Fund 2.40CS

Notes to the Financial Statements

(in Canadian \$ thousands)

5. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

6. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

7. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

The NAV per unit for group contractholders has not been shown because it will vary for each sub-class within the group contractholder class based on negotiated expense levels and other factors.

Canada Life Diversified Real Assets Fund 2.40CS

Notes to the Financial Statements

(in Canadian \$ thousands)

8. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.

Canada Life Diversified Real Assets Fund 2.40CS

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT

a) Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023. The following sections describe the significant risks that are relevant to the Fund.

To assist with managing risk, the Fund Manager maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and securities regulations. Financial statements for the underlying funds, which include discussions about their respective risk exposure, are available upon request.

b) Liquidity Risk

Liquidity risk arises when a Fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units. As the Fund primarily invests all of its net assets in the underlying funds, liquidity risk is mitigated by the underlying funds' ability to meet the obligation to fund daily cash redemptions of their redeemable units/shares. In addition, the underlying funds retain sufficient cash and cash equivalent positions to maintain adequate liquidity.

c) Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The Fund's investments in all underlying funds are denominated in Canadian dollars. However, the Fund is indirectly exposed to currency risk to the extent that the investments of the underlying funds are denominated or traded in a foreign currency.

d) Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund does not directly hold any interest-bearing financial instruments. The Fund is indirectly exposed to the risk that the value of interest-bearing financial instruments held by the underlying funds will fluctuate due to changes in the prevailing levels of market interest rates.

e) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund has no direct exposure to credit risk. The greatest indirect concentration of credit risk is in debt securities, such as bonds, held by underlying funds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer.

f) Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. For the instruments held by the Fund, maximum risk of loss is equivalent to their fair value. The Fund Manager moderates this risk through a careful selection of underlying funds within the parameters of the investment strategy.

g) Fair Value Classification

Investment Fund Units are recorded at fair value, which is the closing NAV per unit of the underlying fund. This valuation is considered to be a Level 1 classification.

Canada Life Diversified Real Assets Fund 2.40CS

Supplemental Information (unaudited)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾⁽³⁾

For the years ended December 31	2023	2022	2021	2020	2019
75/75 guarantee policy	2.88	—	—	—	—
75/100 guarantee policy	3.21	—	—	—	—
PS1 75/75 guarantee policy	2.64	—	—	—	—
PS1 75/100 guarantee policy	2.92	—	—	—	—
PPS 75/75 guarantee policy	1.58	—	—	—	—

Portfolio Turnover Rate (%) ⁽²⁾⁽³⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	0.35	—	—	—	—

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

(3) The Fund commenced on October 23, 2023 and as a result does not have comparative figures for the prior years.

Financial Statements of

**THE CANADA LIFE ASSURANCE COMPANY
BALANCED INCOME FUND (CI) SF800**

December 31, 2023

Independent Auditor's Report

To the Contractholders of Balanced Income Fund (CI) SF800 (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

Balanced Income Fund (CI) SF800

(in Canadian \$ thousands)

Fund Manager: Portfolio Solutions Group, a division of Canada Life Investment Management Ltd.

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ —	\$ —
Investment income due and accrued	—	—
Due from The Canada Life Assurance Company (note 8)	—	—
Due from brokers	—	—
Due from outside parties	—	—
Investments		
Investment fund units (note 3)	24,495	25,731
Total investments	24,495	25,731
Total assets	\$ 24,495	\$ 25,731
Liabilities		
Overdrafts	\$ —	\$ —
Due to The Canada Life Assurance Company (note 8)	—	—
Due to brokers	—	—
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	—	—
Net assets attributable to contractholders	\$ 24,495	\$ 25,731

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 2,719	\$ (3,509)
Miscellaneous income (loss)	—	—
Total income (loss)	2,719	(3,509)
Expenses		
Management fees (note 8)	647	757
Other	64	75
Total expenses	711	832

Net increase (decrease) in net assets from operations attributable to contractholders **\$ 2,008** **\$ (4,341)**

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year	\$ 25,731	\$ 34,559
Contractholder deposits	13	82
Contractholder withdrawals	(3,257)	(4,569)
Increase (decrease) in net assets from operations attributable to contractholders	2,008	(4,341)
Change in net assets attributable to contractholders	(1,236)	(8,828)
Net assets attributable to contractholders - end of year	\$ 24,495	\$ 25,731

Balanced Income Fund (CI) SF800

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 2,008	\$ (4,341)
Adjustments		
Realized (gains) losses	(174)	(12,549)
Unrealized (gains) losses	(2,545)	16,058
Gross proceeds of disposition of investments	4,022	34,900
Gross payments for the purchase of investments	(67)	(29,581)
	<u>3,244</u>	<u>4,487</u>
Financing Activities		
Contractholder deposits	13	82
Contractholder withdrawals	(3,257)	(4,569)
	<u>(3,244)</u>	<u>(4,487)</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	—	—
Cash, short-term deposits and overdrafts, beginning of year	—	—
Cash, short-term deposits and overdrafts, end of year	<u>\$ —</u>	<u>\$ —</u>

Balanced Income Fund (CI) SF800

Schedule of Investment Portfolio

(in Canadian \$ thousands)

As at December 31, 2023

	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units		
Canadian Aggregate Bond ETF Fund 1.44GLC	10,535	11,000
<i>Top Holdings:</i>	<i>% of Total</i>	
Mackenzie Canadian Aggregate Bond Index ETF *	100.00%	
Canadian Large Cap Equity Index ETF Fund 1.83MI	7,564	8,141
<i>Top Holdings:</i>	<i>% of Total</i>	
Mackenzie Canadian Large Cap Equity Index ETF *	100.00%	
International Equity Index ETF Fund 1.82MI	1,708	2,012
<i>Top Holdings:</i>	<i>% of Total</i>	
Mackenzie International Equity Index ETF *	100.00%	
US Large Cap Equity Index ETF Fund 1.84MI	2,718	3,342
<i>Top Holdings:</i>	<i>% of Total</i>	
Mackenzie US Large Cap Index ETF *	100.00%	
Total Investments	22,525	24,495

*The issuer of this security is a related company to the issuer of the Fund.

Balanced Income Fund (CI) SF800

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Net Assets Attributable to Contractholders by Category

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
75/75 guarantee policy	219,068	236,538	255,778	281,711	313,159	3,978	3,961	4,918	4,947	5,077
75/100 guarantee policy	1,029,184	1,164,867	1,340,721	1,509,696	1,673,702	18,574	19,400	25,655	26,397	27,030
100/100 guarantee policy	37,453	59,697	60,185	57,663	63,038	661	973	1,129	990	1,001
PS1 75/75 guarantee policy	6,908	21,353	63,110	81,899	104,846	125	355	1,197	1,410	1,657
PS1 75/100 guarantee policy	43,274	59,522	81,857	84,953	148,458	779	983	1,544	1,456	2,336
PS1 100/100 guarantee policy	20,335	1,830	3,860	5,158	5,564	359	30	72	87	86
PS2 75/100 guarantee policy	812	1,362	1,860	2,364	2,955	19	29	44	50	56

Net Assets Attributable to Contractholders Per Unit (note 7)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
75/75 guarantee policy	18.16	16.75	19.23	17.56	16.21	1.41	(2.48)
75/100 guarantee policy	18.05	16.65	19.13	17.48	16.15	1.40	(2.48)
100/100 guarantee policy	17.64	16.30	18.76	17.17	15.88	1.34	(2.46)
PS1 75/75 guarantee policy	18.12	16.61	18.97	17.22	15.81	1.51	(2.36)
PS1 75/100 guarantee policy	18.00	16.51	18.86	17.14	15.74	1.49	(2.35)
PS1 100/100 guarantee policy	17.66	16.23	18.57	16.90	15.54	1.43	(2.34)
PS2 75/100 guarantee policy	23.78	21.32	23.79	21.10	18.91	2.46	(2.47)

Balanced Income Fund (CI) SF800

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Balanced Income Fund (CI) SF800 (the Fund) is offered by The Canada Life Assurance Company (Canada Life or the Company).

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

Balanced Income Fund (CI) SF800

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

Balanced Income Fund (CI) SF800

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in note 9 on Financial Instrument Risk Management.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

Balanced Income Fund (CI) SF800

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Investment Fund Units

Investment fund units are recorded at fair value, which is the closing net asset value (NAV) per unit of the underlying fund.

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Balanced Income Fund (CI) SF800

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

Balanced Income Fund (CI) SF800

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

k) Income Allocation

Net gain (loss) on investments, which includes realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the NAV per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

3. INVESTMENT FUND UNITS

Investment fund units of the Fund invest solely in units of other segregated investment funds of Canada Life. Units are valued based on the closing unit values of the underlying funds.

Investment activity of the underlying fund indirectly exposes the Fund to financial risk. See note 9 on Financial Instrument Risk Management.

Balanced Income Fund (CI) SF800

Notes to the Financial Statements

(in Canadian \$ thousands)

4. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Emperor,
- Flex,
- Generations/Mosaic,
- Generations I,
- Generations II,
- Generations Core,
- Prestige/Prestige Plus, and
- Private Collections.

In addition to the Individual units, units are available for:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

The categories of units are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

Balanced Income Fund (CI) SF800

Notes to the Financial Statements

(in Canadian \$ thousands)

5. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

6. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

7. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year..

Balanced Income Fund (CI) SF800

Notes to the Financial Statements

(in Canadian \$ thousands)

8. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.
- c) The Fund invests in assets or underlying funds managed by Canada Life Investment Management Ltd. All investment transactions with the corresponding underlying funds are at quoted market prices.

Balanced Income Fund (CI) SF800

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT

a) Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023. The following sections describe the significant risks that are relevant to the Fund.

The Fund employs a passive investment strategy whereby investments in underlying funds are based on target asset weightings. The target weightings allocated to each underlying fund and the selection of underlying funds are based on several factors, including impact to the Fund's volatility and asset class diversification. Significant changes to the selection of underlying funds or the target asset weightings attributed to each underlying fund require contractholder notification. To assist with managing risk, the Fund Manager also maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and other regulations. Financial statements for the underlying funds, which include discussions about their respective risk exposure, are available upon request.

b) Liquidity Risk

Liquidity risk arises when a Fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units. As the Fund primarily invests all of its net assets in the underlying funds, liquidity risk is mitigated by the underlying funds' ability to meet the obligation to fund daily cash redemptions of their redeemable units/shares. In addition, the underlying funds retain sufficient cash and cash equivalent positions to maintain adequate liquidity.

c) Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The Fund's investments in all underlying funds are denominated in Canadian dollars. However, the Fund is indirectly exposed to currency risk to the extent that the investments of the underlying funds are denominated or traded in a foreign currency.

d) Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund does not directly hold any interest-bearing financial instruments. The Fund is indirectly exposed to the risk that the value of interest-bearing financial instruments held by the underlying funds will fluctuate due to changes in the prevailing levels of market interest rates.

e) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund has no direct exposure to credit risk. The greatest indirect concentration of credit risk is in debt securities, such as bonds, held by underlying funds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer. The carrying amount of debt investments represents the maximum credit risk exposure as at December 31, 2023.

f) Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. For the instruments held by the Fund, maximum risk of loss is equivalent to their fair value. The Fund Manager moderates this risk through a careful selection of underlying funds within the parameters of the investment strategy.

Balanced Income Fund (CI) SF800

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT (continued)

g) Fair Value Classification

Investment Fund Units are recorded at fair value, which is the closing NAV per unit of the underlying fund. This valuation is considered to be a Level 2 classification.

Balanced Income Fund (CI) SF800

Supplemental Information *(unaudited)*

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾

For the years ended December 31	2023	2022	2021	2020	2019
75/75 guarantee policy	2.82	2.88	2.93	2.93	2.94
75/100 guarantee policy	2.88	2.93	2.99	2.99	2.99
100/100 guarantee policy	3.03	3.08	3.14	3.14	3.15
PS1 75/75 guarantee policy	2.25	2.32	2.36	2.36	2.36
PS1 75/100 guarantee policy	2.30	2.36	2.41	2.41	2.41
PS1 100/100 guarantee policy	2.47	2.54	2.58	2.57	2.58

Portfolio Turnover Rate (%) ⁽²⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	0.26	101.77	0.82	8.64	3.33

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

Financial Statements of

**THE CANADA LIFE ASSURANCE COMPANY
CORE BALANCED FUND SF801**

December 31, 2023

Independent Auditor's Report

To the Contractholders of Core Balanced Fund SF801 (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

Core Balanced Fund SF801

(in Canadian \$ thousands)

Fund Manager: Portfolio Solutions Group, a division of Canada Life Investment Management Ltd.

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ —	\$ —
Investment income due and accrued	—	—
Due from The Canada Life Assurance Company (note 8)	—	—
Due from brokers	—	—
Due from outside parties	—	—
Investments		
Investment fund units (note 3)	70,989	64,761
Total investments	70,989	64,761
Total assets	\$ 70,989	\$ 64,761
Liabilities		
Overdrafts	\$ —	\$ —
Due to The Canada Life Assurance Company (note 8)	—	—
Due to brokers	—	—
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	—	—
Net assets attributable to contractholders	\$ 70,989	\$ 64,761

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 6,925	\$ (4,644)
Miscellaneous income (loss)	—	—
Total income (loss)	6,925	(4,644)
Expenses		
Management fees (note 8)	1,575	1,452
Other	159	139
Total expenses	1,734	1,591
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 5,191	\$ (6,235)

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year	\$ 64,761	\$ 60,002
Contractholder deposits	7,794	16,258
Contractholder withdrawals	(6,757)	(5,264)
Increase (decrease) in net assets from operations attributable to contractholders	5,191	(6,235)
Change in net assets attributable to contractholders	6,228	4,759
Net assets attributable to contractholders - end of year	\$ 70,989	\$ 64,761

Core Balanced Fund SF801

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 5,191	\$ (6,235)
Adjustments		
Realized (gains) losses	(2,046)	(1,210)
Unrealized (gains) losses	(4,879)	5,854
Gross proceeds of disposition of investments	8,110	4,979
Gross payments for the purchase of investments	(7,413)	(14,382)
	<u>(1,037)</u>	<u>(10,994)</u>
Financing Activities		
Contractholder deposits	7,794	16,258
Contractholder withdrawals	(6,757)	(5,264)
	<u>1,037</u>	<u>10,994</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	—	—
Cash, short-term deposits and overdrafts, beginning of year	—	—
Cash, short-term deposits and overdrafts, end of year	<u>\$ —</u>	<u>\$ —</u>

Core Balanced Fund SF801

Schedule of Investment Portfolio

(in Canadian \$ thousands)

As at December 31, 2023

	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units		
Canadian Equity Fund (Laketon) SF009	4,120	6,407
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Royal Bank of Canada	7.72%	
The Toronto-Dominion Bank	6.66%	
Bank of Montreal	4.94%	
Canadian Natural Resources Ltd.	4.07%	
Canadian Pacific Kansas City Ltd.	3.79%	
Canadian Large Cap Equity Index Fund (GWLIM) SF503	4,098	6,411
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Royal Bank of Canada	7.63%	
The Toronto-Dominion Bank	6.42%	
Shopify Inc.	5.05%	
Enbridge Inc.	4.11%	
Canadian National Railway Co.	4.03%	
Dividend Fund S-189LL	8,209	12,821
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Royal Bank of Canada	7.66%	
Bank of Montreal	5.84%	
The Toronto-Dominion Bank	5.59%	
TELUS Corp.	4.22%	
Canadian Natural Resources Ltd.	4.19%	
Fixed Income Fund (Laketon) SF019	26,283	28,334
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Province of Ontario 3.65% 06-02-2033	6.69%	
Government of Canada 2.75% 06-01-2033	4.45%	
Province of Quebec 3.60% 09-01-2033	3.59%	
Province of Quebec 4.40% 12-01-2055	3.19%	
Mackenzie Canadian Aggregate Bond Index ETF *	2.79%	
Global Equity Fund SF034	2,569	4,251
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Microsoft Corp.	4.70%	
Berkshire Hathaway Inc. Class B	4.00%	
Booking Holdings Inc.	3.25%	
Oracle Corp.	3.23%	
Costco Wholesale Corp.	3.20%	

*The issuer of this security is a related company to the issuer of the Fund.

Core Balanced Fund SF801

Schedule of Investment Portfolio

(in Canadian \$ thousands)

As at December 31, 2023

	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units (continued)		
International Equity Fund (P) SF529	3,138	4,272
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Nestle SA	3.01%	
Sanofi SA	2.80%	
CRH PLC	2.77%	
Vinci SA	2.72%	
London Stock Exchange Group PLC	2.68%	
U.S. Equity Fund (GWLIM) SF517	1,304	2,118
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Microsoft Corp.	5.40%	
Roper Technologies Inc.	5.13%	
Accenture PLC Class A	4.73%	
Aon Corp.	4.66%	
Linde PLC	4.49%	
U.S. Equity Index Fund (GWLIM) SF512	2,253	4,247
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Apple Inc.	6.93%	
Microsoft Corp.	6.88%	
Amazon.com Inc.	3.40%	
NVIDIA Corp.	3.02%	
Alphabet Inc. Class A	2.04%	
U.S. Value Fund S-178LL	1,180	2,128
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
JPMorgan Chase & Co.	3.60%	
Berkshire Hathaway Inc. Class B	2.30%	
Bank of America Corp.	2.16%	
Johnson & Johnson Inc.	2.06%	
Intel Corp.	2.05%	
Total Investments	53,154	70,989

Core Balanced Fund SF801

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Net Assets Attributable to Contractholders by Category

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
75/75 guarantee policy	587,657	544,379	461,125	387,733	389,278	11,143	9,576	9,019	6,864	6,562
75/100 guarantee policy	2,002,184	2,030,164	1,977,694	1,904,743	1,886,327	37,640	35,425	38,388	33,485	31,593
100/100 guarantee policy	75,689	68,204	60,094	44,964	43,054	1,392	1,166	1,145	777	710
PS1 75/75 guarantee policy	213,401	174,601	133,578	57,482	30,729	3,922	2,960	2,503	969	490
PS1 75/100 guarantee policy	681,474	678,581	386,031	236,451	151,411	12,451	11,441	7,197	3,969	2,408
PS1 100/100 guarantee policy	41,553	89,953	25,634	24,241	18,326	745	1,490	470	401	288
PS2 75/100 guarantee policy	34,459	37,669	35,058	35,995	24,353	812	801	806	729	457
PS 75/75 guarantee policy	19,920	15,223	10,079	9,612	—	249	174	127	108	—
PS 75/100 guarantee policy	46,165	45,005	6,921	2,749	—	575	514	87	31	—
PPS 75/75 guarantee policy	40,179	30,956	225	—	—	519	365	3	—	—
PPS 75/100 guarantee policy	74,713	26,631	20,014	16,422	—	960	313	257	188	—
PPS 100/100 guarantee policy	45,626	46,043	—	—	—	581	536	—	—	—

Net Assets Attributable to Contractholders Per Unit (note 7)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
75/75 guarantee policy	18.96	17.59	19.56	17.70	16.86	1.37	(1.97)
75/100 guarantee policy	18.80	17.45	19.41	17.58	16.75	1.35	(1.96)
100/100 guarantee policy	18.39	17.09	19.04	17.27	16.48	1.30	(1.95)
PS1 75/75 guarantee policy	18.38	16.95	18.74	16.86	15.96	1.43	(1.79)
PS1 75/100 guarantee policy	18.27	16.86	18.64	16.79	15.90	1.41	(1.78)
PS1 100/100 guarantee policy	17.92	16.57	18.35	16.55	15.70	1.35	(1.78)
PS2 75/100 guarantee policy	23.55	21.26	23.00	20.26	18.78	2.29	(1.74)
PS 75/75 guarantee policy	12.48	11.46	12.60	11.28	—	1.02	(1.14)
PS 75/100 guarantee policy	12.45	11.43	12.57	11.26	—	1.02	(1.14)
PPS 75/75 guarantee policy	12.91	11.78	12.86	—	—	1.13	(1.08)
PPS 75/100 guarantee policy	12.85	11.73	12.83	11.43	—	1.12	(1.10)
PPS 100/100 guarantee policy	12.74	11.65	—	—	—	1.09	(1.11)

Core Balanced Fund SF801

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Core Balanced Fund SF801 (the Fund) is offered by The Canada Life Assurance Company (Canada Life or the Company).

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

Core Balanced Fund SF801

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

Core Balanced Fund SF801

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in note 9 on Financial Instrument Risk Management.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

Core Balanced Fund SF801

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Investment Fund Units

Investment fund units are recorded at fair value, which is the closing net asset value (NAV) per unit of the underlying fund.

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Core Balanced Fund SF801

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

Core Balanced Fund SF801

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

k) Income Allocation

Net gain (loss) on investments, which includes realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the NAV per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

3. INVESTMENT FUND UNITS

Investment fund units of the Fund invest solely in units of other segregated investment funds of Canada Life. Units are valued based on the closing unit values of the underlying funds.

Investment activity of the underlying fund indirectly exposes the Fund to financial risk. See note 9 on Financial Instrument Risk Management.

Core Balanced Fund SF801

Notes to the Financial Statements

(in Canadian \$ thousands)

4. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Emperor,
- Flex,
- Generations/Mosaic,
- Generations I,
- Generations II,
- Generations Core,
- Prestige/Prestige Plus, and
- Private Collections.

In addition to the Individual units, units are available for:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

The categories of units, and the various levels within each, are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

Core Balanced Fund SF801

Notes to the Financial Statements

(in Canadian \$ thousands)

5. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

6. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

7. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

Core Balanced Fund SF801

Notes to the Financial Statements

(in Canadian \$ thousands)

8. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.
- c) The Fund invests in assets or underlying funds managed by Canada Life Investment Management Ltd. All investment transactions with the corresponding underlying funds are at quoted market prices.

Core Balanced Fund SF801

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT

a) Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023. The following sections describe the significant risks that are relevant to the Fund.

The Fund employs a passive investment strategy whereby investments in underlying funds are based on target asset weightings. The target weightings allocated to each underlying fund and the selection of underlying funds are based on several factors, including impact to the Fund's volatility and asset class diversification. Significant changes to the selection of underlying funds or the target asset weightings attributed to each underlying fund require contractholder notification. To assist with managing risk, the Fund Manager also maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and other regulations. Financial statements for the underlying funds, which include discussions about their respective risk exposure, are available upon request.

b) Liquidity Risk

Liquidity risk arises when a Fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units. As the Fund primarily invests all of its net assets in the underlying funds, liquidity risk is mitigated by the underlying funds' ability to meet the obligation to fund daily cash redemptions of their redeemable units/shares. In addition, the underlying funds retain sufficient cash and cash equivalent positions to maintain adequate liquidity.

c) Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The Fund's investments in all underlying funds are denominated in Canadian dollars. However, the Fund is indirectly exposed to currency risk to the extent that the investments of the underlying funds are denominated or traded in a foreign currency.

d) Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund does not directly hold any interest-bearing financial instruments. The Fund is indirectly exposed to the risk that the value of interest-bearing financial instruments held by the underlying funds will fluctuate due to changes in the prevailing levels of market interest rates.

e) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund has no direct exposure to credit risk. The greatest indirect concentration of credit risk is in debt securities, such as bonds, held by underlying funds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer. The carrying amount of debt investments represents the maximum credit risk exposure as at December 31, 2023.

f) Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. For the instruments held by the Fund, maximum risk of loss is equivalent to their fair value. The Fund Manager moderates this risk through a careful selection of underlying funds within the parameters of the investment strategy.

Core Balanced Fund SF801

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT (continued)

g) Fair Value Classification

Investment Fund Units are recorded at fair value, which is the closing NAV per unit of the underlying fund. This valuation is considered to be a Level 2 classification.

Core Balanced Fund SF801

Supplemental Information (unaudited)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾

For the years ended December 31	2023	2022	2021	2020	2019
75/75 guarantee policy	2.73	2.72	2.71	2.71	2.72
75/100 guarantee policy	2.78	2.77	2.77	2.77	2.77
100/100 guarantee policy	2.94	2.92	2.92	2.92	2.92
PS1 75/75 guarantee policy	2.14	2.13	2.12	2.12	2.13
PS1 75/100 guarantee policy	2.20	2.18	2.18	2.18	2.19
PS1 100/100 guarantee policy	2.36	2.36	2.35	2.34	2.35
PS 75/75 guarantee policy	1.63	1.62	1.62	1.61	—
PS 75/100 guarantee policy	1.69	1.68	1.67	1.66	—
PPS 75/75 guarantee policy	1.04	1.04	1.03	—	—
PPS 75/100 guarantee policy	1.10	1.09	1.09	1.09	—
PPS 100/100 guarantee policy	1.26	1.24	—	—	—

Portfolio Turnover Rate (%) ⁽²⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	10.90	7.92	6.78	20.39	10.28

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
CORE BALANCED GROWTH PLUS FUND SF802

December 31, 2023

Independent Auditor's Report

To the Contractholders of Core Balanced Growth Plus Fund SF802 (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

Core Balanced Growth Plus Fund SF802

(in Canadian \$ thousands)

Fund Manager: Portfolio Solutions Group, a division of Canada Life Investment Management Ltd.

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ —	\$ —
Investment income due and accrued	—	—
Due from The Canada Life Assurance Company (note 8)	—	—
Due from brokers	—	—
Due from outside parties	—	—
Investments		
Investment fund units (note 3)	118,908	108,896
Total investments	118,908	108,896
Total assets	\$ 118,908	\$ 108,896
Liabilities		
Overdrafts	\$ —	\$ —
Due to The Canada Life Assurance Company (note 8)	—	—
Due to brokers	—	—
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	—	—
Net assets attributable to contractholders	\$ 118,908	\$ 108,896

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 12,317	\$ (7,950)
Miscellaneous income (loss)	—	—
Total income (loss)	12,317	(7,950)
Expenses		
Management fees (note 8)	2,795	2,711
Other	311	301
Total expenses	3,106	3,012
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 9,211	\$ (10,962)

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year	\$ 108,896	\$ 111,319
Contractholder deposits	14,399	17,782
Contractholder withdrawals	(13,598)	(9,243)
Increase (decrease) in net assets from operations attributable to contractholders	9,211	(10,962)
Change in net assets attributable to contractholders	10,012	(2,423)
Net assets attributable to contractholders - end of year	\$ 118,908	\$ 108,896

Core Balanced Growth Plus Fund SF802

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 9,211	\$ (10,962)
Adjustments		
Realized (gains) losses	(3,713)	(2,652)
Unrealized (gains) losses	(8,604)	10,602
Gross proceeds of disposition of investments	12,551	9,561
Gross payments for the purchase of investments	(10,246)	(15,088)
	<u>(801)</u>	<u>(8,539)</u>
Financing Activities		
Contractholder deposits	14,399	17,782
Contractholder withdrawals	(13,598)	(9,243)
	<u>801</u>	<u>8,539</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	—	—
Cash, short-term deposits and overdrafts, beginning of year	—	—
Cash, short-term deposits and overdrafts, end of year	<u>\$ —</u>	<u>\$ —</u>

Core Balanced Growth Plus Fund SF802

Schedule of Investment Portfolio

(in Canadian \$ thousands)

As at December 31, 2023

	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units		
Canadian Equity Fund (Laketon) SF009	7,597	12,538
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Royal Bank of Canada	7.72%	
The Toronto-Dominion Bank	6.66%	
Bank of Montreal	4.94%	
Canadian Natural Resources Ltd.	4.07%	
Canadian Pacific Kansas City Ltd.	3.79%	
Canadian Large Cap Equity Index Fund (GWLIM) SF503	7,608	12,542
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Royal Bank of Canada	7.63%	
The Toronto-Dominion Bank	6.42%	
Shopify Inc.	5.05%	
Enbridge Inc.	4.11%	
Canadian National Railway Co.	4.03%	
Dividend Fund S-189LL	15,246	25,070
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Royal Bank of Canada	7.66%	
Bank of Montreal	5.84%	
The Toronto-Dominion Bank	5.59%	
TELUS Corp.	4.22%	
Canadian Natural Resources Ltd.	4.19%	
Fixed Income Fund (Laketon) SF019	33,031	35,601
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Province of Ontario 3.65% 06-02-2033	6.69%	
Government of Canada 2.75% 06-01-2033	4.45%	
Province of Quebec 3.60% 09-01-2033	3.59%	
Province of Quebec 4.40% 12-01-2055	3.19%	
Mackenzie Canadian Aggregate Bond Index ETF *	2.79%	
Global Equity Fund SF034	4,717	8,279
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Microsoft Corp.	4.70%	
Berkshire Hathaway Inc. Class B	4.00%	
Booking Holdings Inc.	3.25%	
Oracle Corp.	3.23%	
Costco Wholesale Corp.	3.20%	

*The issuer of this security is a related company to the issuer of the Fund.

Core Balanced Growth Plus Fund SF802

Schedule of Investment Portfolio

(in Canadian \$ thousands)

As at December 31, 2023

	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units (continued)		
International Equity Fund (P) SF529	6,044	8,363
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Nestle SA	3.01%	
Sanofi SA	2.80%	
CRH PLC	2.77%	
Vinci SA	2.72%	
London Stock Exchange Group PLC	2.68%	
U.S. Equity Fund (GWLIM) SF517	2,304	4,100
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Microsoft Corp.	5.40%	
Roper Technologies Inc.	5.13%	
Accenture PLC Class A	4.73%	
Aon Corp.	4.66%	
Linde PLC	4.49%	
U.S. Equity Index Fund (GWLIM) SF512	3,922	8,257
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Apple Inc.	6.93%	
Microsoft Corp.	6.88%	
Amazon.com Inc.	3.40%	
NVIDIA Corp.	3.02%	
Alphabet Inc. Class A	2.04%	
U.S. Value Fund S-178LL	2,206	4,158
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
JPMorgan Chase & Co.	3.60%	
Berkshire Hathaway Inc. Class B	2.30%	
Bank of America Corp.	2.16%	
Johnson & Johnson Inc.	2.06%	
Intel Corp.	2.05%	
Total Investments	82,675	118,908

Core Balanced Growth Plus Fund SF802

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Net Assets Attributable to Contractholders by Category

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
75/75 guarantee policy	676,472	692,811	652,274	580,540	539,871	13,712	12,968	13,510	10,635	9,486
75/100 guarantee policy	3,304,628	3,420,875	3,405,042	3,274,363	3,505,429	66,405	63,512	69,993	59,563	61,198
100/100 guarantee policy	153,644	164,178	183,425	177,915	193,801	3,033	2,999	3,715	3,194	3,344
PS1 75/75 guarantee policy	171,146	182,979	153,109	54,860	102,577	3,387	3,324	3,059	964	1,719
PS1 75/100 guarantee policy	1,348,758	1,146,679	835,611	440,515	399,889	26,552	20,733	16,629	7,712	6,679
PS1 100/100 guarantee policy	217,772	225,480	151,352	156,870	135,220	4,232	4,031	2,983	2,724	2,244
PS2 75/75 guarantee policy	3,633	4,679	10,664	13,874	9,699	94	108	265	296	193
PS2 75/100 guarantee policy	13,182	8,810	4,695	1,447	5,491	339	204	117	31	109
PS 75/75 guarantee policy	17,219	14,500	14,917	10,259	—	220	169	191	115	—
PS 75/100 guarantee policy	66,794	66,145	53,429	8,471	—	853	771	682	95	—
PPS 75/75 guarantee policy	6,142	6,400	6,901	3,695	—	81	77	90	42	—
PPS 75/100 guarantee policy	—	—	6,514	—	—	—	—	85	—	—

Net Assets Attributable to Contractholders Per Unit (note 7)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
75/75 guarantee policy	20.27	18.72	20.71	18.32	17.57	1.55	(1.99)
75/100 guarantee policy	20.09	18.57	20.56	18.19	17.46	1.52	(1.99)
100/100 guarantee policy	19.74	18.27	20.25	17.95	17.26	1.47	(1.98)
PS1 75/75 guarantee policy	19.79	18.17	19.98	17.57	16.75	1.62	(1.81)
PS1 75/100 guarantee policy	19.69	18.08	19.90	17.51	16.70	1.61	(1.82)
PS1 100/100 guarantee policy	19.43	17.88	19.71	17.37	16.60	1.55	(1.83)
PS2 75/75 guarantee policy	25.76	23.12	24.86	21.36	19.91	2.64	(1.74)
PS2 75/100 guarantee policy	25.76	23.12	24.86	21.36	19.91	2.64	(1.74)
PS 75/75 guarantee policy	12.80	11.69	12.80	11.19	—	1.11	(1.11)
PS 75/100 guarantee policy	12.76	11.66	12.77	11.18	—	1.10	(1.11)
PPS 75/75 guarantee policy	13.23	12.01	13.06	11.36	—	1.22	(1.05)
PPS 75/100 guarantee policy	—	—	13.04	—	—	—	—

Core Balanced Growth Plus Fund SF802

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Core Balanced Growth Plus Fund SF802 (the Fund) is offered by The Canada Life Assurance Company (Canada Life or the Company).

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

Core Balanced Growth Plus Fund SF802

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

Core Balanced Growth Plus Fund SF802

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in note 9 on Financial Instrument Risk Management.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

Core Balanced Growth Plus Fund SF802

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Investment Fund Units

Investment fund units are recorded at fair value, which is the closing net asset value (NAV) per unit of the underlying fund.

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Core Balanced Growth Plus Fund SF802

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

Core Balanced Growth Plus Fund SF802

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

k) Income Allocation

Net gain (loss) on investments, which includes realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the NAV per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

3. INVESTMENT FUND UNITS

Investment fund units of the Fund invest solely in units of other segregated investment funds of Canada Life. Units are valued based on the closing unit values of the underlying funds.

Investment activity of the underlying fund indirectly exposes the Fund to financial risk. See note 9 on Financial Instrument Risk Management.

Core Balanced Growth Plus Fund SF802

Notes to the Financial Statements

(in Canadian \$ thousands)

4. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Emperor,
- Flex,
- Generations/Mosaic,
- Generations I,
- Generations II,
- Generations Core,
- Prestige/Prestige Plus, and
- Private Collections.

In addition to the Individual units, units are available for:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

The categories of units are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

Core Balanced Growth Plus Fund SF802

Notes to the Financial Statements

(in Canadian \$ thousands)

5. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

6. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

7. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

Core Balanced Growth Plus Fund SF802

Notes to the Financial Statements

(in Canadian \$ thousands)

8. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.
- c) The Fund invests in assets or underlying funds managed by Canada Life Investment Management Ltd. All investment transactions with the corresponding underlying funds are at quoted market prices.

Core Balanced Growth Plus Fund SF802

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT

a) Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023. The following sections describe the significant risks that are relevant to the Fund.

The Fund employs a passive investment strategy whereby investments in underlying funds are based on target asset weightings. The target weightings allocated to each underlying fund and the selection of underlying funds are based on several factors, including impact to the Fund's volatility and asset class diversification. Significant changes to the selection of underlying funds or the target asset weightings attributed to each underlying fund require contractholder notification. To assist with managing risk, the Fund Manager also maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and other regulations. Financial statements for the underlying funds, which include discussions about their respective risk exposure, are available upon request.

b) Liquidity Risk

Liquidity risk arises when a Fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units. As the Fund primarily invests all of its net assets in the underlying funds, liquidity risk is mitigated by the underlying funds' ability to meet the obligation to fund daily cash redemptions of their redeemable units/shares. In addition, the underlying funds retain sufficient cash and cash equivalent positions to maintain adequate liquidity.

c) Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The Fund's investments in all underlying funds are denominated in Canadian dollars. However, the Fund is indirectly exposed to currency risk to the extent that the investments of the underlying funds are denominated or traded in a foreign currency.

d) Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund does not directly hold any interest-bearing financial instruments. The Fund is indirectly exposed to the risk that the value of interest-bearing financial instruments held by the underlying funds will fluctuate due to changes in the prevailing levels of market interest rates.

e) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund has no direct exposure to credit risk. The greatest indirect concentration of credit risk is in debt securities, such as bonds, held by underlying funds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer. The carrying amount of debt investments represents the maximum credit risk exposure as at December 31, 2023.

f) Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. For the instruments held by the Fund, maximum risk of loss is equivalent to their fair value. The Fund Manager moderates this risk through a careful selection of underlying funds within the parameters of the investment strategy.

Core Balanced Growth Plus Fund SF802

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT (continued)

g) Fair Value Classification

Investment Fund Units are recorded at fair value, which is the closing NAV per unit of the underlying fund. This valuation is considered to be a Level 2 classification.

Core Balanced Growth Plus Fund SF802

Supplemental Information (unaudited)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾

For the years ended December 31	2023	2022	2021	2020	2019
75/75 guarantee policy	2.87	2.87	2.86	2.86	2.87
75/100 guarantee policy	2.92	2.92	2.92	2.92	2.92
100/100 guarantee policy	3.08	3.08	3.07	3.08	3.08
PS1 75/75 guarantee policy	2.27	2.27	2.26	2.27	2.27
PS1 75/100 guarantee policy	2.33	2.32	2.32	2.32	2.33
PS1 100/100 guarantee policy	2.49	2.49	2.49	2.49	2.50
PS 75/75 guarantee policy	1.76	1.76	1.75	1.74	—
PS 75/100 guarantee policy	1.81	1.81	1.80	1.79	—
PPS 75/75 guarantee policy	1.16	1.17	1.16	1.16	—
PPS 75/100 guarantee policy	—	—	1.21	—	—

Portfolio Turnover Rate (%) ⁽²⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	9.02	8.73	6.90	9.89	9.95

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
CORE CONSERVATIVE GROWTH FUND SF803

December 31, 2023

Independent Auditor's Report

To the Contractholders of Core Conservative Growth Fund SF803 (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

Core Conservative Growth Fund SF803

(in Canadian \$ thousands)

Fund Manager: Portfolio Solutions Group, a division of Canada Life Investment Management Ltd.

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ —	\$ —
Investment income due and accrued	—	—
Due from The Canada Life Assurance Company (note 8)	—	—
Due from brokers	—	—
Due from outside parties	—	—
Investments		
Investment fund units (note 3)	72,298	76,569
Total investments	72,298	76,569
Total assets	\$ 72,298	\$ 76,569
Liabilities		
Overdrafts	\$ —	\$ —
Due to The Canada Life Assurance Company (note 8)	—	—
Due to brokers	—	—
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	—	—
Net assets attributable to contractholders	\$ 72,298	\$ 76,569

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 6,207	\$ (8,746)
Miscellaneous income (loss)	—	—
Total income (loss)	6,207	(8,746)
Expenses		
Management fees (note 8)	1,508	1,677
Other	154	183
Total expenses	1,662	1,860
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 4,545	\$ (10,606)

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year	\$ 76,569	\$ 92,761
Contractholder deposits	4,237	5,729
Contractholder withdrawals	(13,053)	(11,315)
Increase (decrease) in net assets from operations attributable to contractholders	4,545	(10,606)
Change in net assets attributable to contractholders	(4,271)	(16,192)
Net assets attributable to contractholders - end of year	\$ 72,298	\$ 76,569

Core Conservative Growth Fund SF803

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 4,545	\$ (10,606)
Adjustments		
Realized (gains) losses	(1,319)	(1,499)
Unrealized (gains) losses	(4,888)	10,245
Gross proceeds of disposition of investments	14,581	17,742
Gross payments for the purchase of investments	(4,103)	(10,296)
	<u>8,816</u>	<u>5,586</u>
Financing Activities		
Contractholder deposits	4,237	5,729
Contractholder withdrawals	(13,053)	(11,315)
	<u>(8,816)</u>	<u>(5,586)</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	—	—
Cash, short-term deposits and overdrafts, beginning of year	—	—
Cash, short-term deposits and overdrafts, end of year	<u>\$ —</u>	<u>\$ —</u>

Core Conservative Growth Fund SF803

Schedule of Investment Portfolio

(in Canadian \$ thousands)

As at December 31, 2023

	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units		
Canadian Equity Fund (Laketon) SF009	2,417	3,271
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Royal Bank of Canada	7.72%	
The Toronto-Dominion Bank	6.66%	
Bank of Montreal	4.94%	
Canadian Natural Resources Ltd.	4.07%	
Canadian Pacific Kansas City Ltd.	3.79%	
Canadian Large Cap Equity Index Fund (GWLIM) SF503	2,379	3,269
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Royal Bank of Canada	7.63%	
The Toronto-Dominion Bank	6.42%	
Shopify Inc.	5.05%	
Enbridge Inc.	4.11%	
Canadian National Railway Co.	4.03%	
Dividend Fund S-189LL	4,684	6,538
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Royal Bank of Canada	7.66%	
Bank of Montreal	5.84%	
The Toronto-Dominion Bank	5.59%	
TELUS Corp.	4.22%	
Canadian Natural Resources Ltd.	4.19%	
Fixed Income Fund (Laketon) SF019	49,333	50,572
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Province of Ontario 3.65% 06-02-2033	6.69%	
Government of Canada 2.75% 06-01-2033	4.45%	
Province of Quebec 3.60% 09-01-2033	3.59%	
Province of Quebec 4.40% 12-01-2055	3.19%	
Mackenzie Canadian Aggregate Bond Index ETF *	2.79%	
Global Equity Fund SF034	1,582	2,161
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Microsoft Corp.	4.70%	
Berkshire Hathaway Inc. Class B	4.00%	
Booking Holdings Inc.	3.25%	
Oracle Corp.	3.23%	
Costco Wholesale Corp.	3.20%	

*The issuer of this security is a related company to the issuer of the Fund.

Core Conservative Growth Fund SF803

Schedule of Investment Portfolio

(in Canadian \$ thousands)

As at December 31, 2023

	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units (continued)		
International Equity Fund (P) SF529	1,705	2,169
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Nestle SA	3.01%	
Sanofi SA	2.80%	
CRH PLC	2.77%	
Vinci SA	2.72%	
London Stock Exchange Group PLC	2.68%	
U.S. Equity Fund (GWLIM) SF517	794	1,076
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Microsoft Corp.	5.40%	
Roper Technologies Inc.	5.13%	
Accenture PLC Class A	4.73%	
Aon Corp.	4.66%	
Linde PLC	4.49%	
U.S. Equity Index Fund (GWLIM) SF512	1,437	2,160
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Apple Inc.	6.93%	
Microsoft Corp.	6.88%	
Amazon.com Inc.	3.40%	
NVIDIA Corp.	3.02%	
Alphabet Inc. Class A	2.04%	
U.S. Value Fund S-178LL	696	1,082
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
JPMorgan Chase & Co.	3.60%	
Berkshire Hathaway Inc. Class B	2.30%	
Bank of America Corp.	2.16%	
Johnson & Johnson Inc.	2.06%	
Intel Corp.	2.05%	
Total Investments	65,027	72,298

Core Conservative Growth Fund SF803

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Net Assets Attributable to Contractholders by Category

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
75/75 guarantee policy	1,293,486	1,498,203	1,749,190	1,458,313	1,132,466	19,240	20,976	27,672	22,436	16,429
75/100 guarantee policy	1,875,116	2,062,109	2,262,611	1,846,758	1,099,983	27,645	28,631	35,518	28,208	15,852
100/100 guarantee policy	102,255	105,107	125,479	95,547	73,261	1,477	1,432	1,935	1,436	1,040
PS1 75/75 guarantee policy	501,112	590,255	493,367	260,383	24,658	7,041	7,771	7,306	3,733	332
PS1 75/100 guarantee policy	802,528	894,151	927,415	519,521	273,227	11,208	11,708	13,668	7,417	3,664
PS1 100/100 guarantee policy	83,303	88,983	78,716	88,340	90,826	1,141	1,145	1,142	1,243	1,203
PS2 75/75 guarantee policy	8,593	22,876	29,634	4,154	1,462	152	372	531	71	23
PS2 75/100 guarantee policy	107,638	135,680	153,536	107,783	85,403	1,908	2,209	2,757	1,837	1,340
PS2 100/100 guarantee policy	6,126	—	—	8,897	7,664	108	—	—	151	120
PS 75/75 guarantee policy	68,990	71,908	51,492	37,078	2,501	785	761	609	422	27
PS 75/100 guarantee policy	91,709	94,819	80,071	39,954	6,327	1,040	1,002	946	454	67
PPS 75/75 guarantee policy	771	4,786	6,730	71,997	2,566	9	52	81	828	27
PPS 75/100 guarantee policy	46,762	47,327	44,258	11,200	—	544	510	531	129	—
PPS 100/100 guarantee policy	—	—	5,419	—	—	—	—	65	—	—

Net Assets Attributable to Contractholders Per Unit (note 7)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
75/75 guarantee policy	14.87	14.00	15.82	15.38	14.51	0.87	(1.82)
75/100 guarantee policy	14.74	13.88	15.70	15.27	14.41	0.86	(1.82)
100/100 guarantee policy	14.44	13.62	15.42	15.03	14.20	0.82	(1.80)
PS1 75/75 guarantee policy	14.05	13.17	14.81	14.34	13.46	0.88	(1.64)
PS1 75/100 guarantee policy	13.97	13.09	14.74	14.28	13.41	0.88	(1.65)
PS1 100/100 guarantee policy	13.70	12.86	14.50	14.07	13.24	0.84	(1.64)
PS2 75/75 guarantee policy	17.70	16.26	17.93	17.02	15.66	1.44	(1.67)
PS2 75/100 guarantee policy	17.72	16.28	17.96	17.04	15.69	1.44	(1.68)
PS2 100/100 guarantee policy	17.68	—	—	17.00	15.65	1.43	—
PS 75/75 guarantee policy	11.38	10.59	11.83	11.38	10.62	0.79	(1.24)
PS 75/100 guarantee policy	11.34	10.56	11.81	11.37	10.61	0.78	(1.25)
PPS 75/75 guarantee policy	11.66	10.80	12.02	11.51	10.69	0.86	(1.22)
PPS 75/100 guarantee policy	11.62	10.78	12.00	11.49	—	0.84	(1.22)
PPS 100/100 guarantee policy	—	—	11.93	—	—	—	—

Core Conservative Growth Fund SF803

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Core Conservative Growth Fund SF803 (the Fund) is offered by The Canada Life Assurance Company (Canada Life or the Company).

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

Core Conservative Growth Fund SF803

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

Core Conservative Growth Fund SF803

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in note 9 on Financial Instrument Risk Management.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

Core Conservative Growth Fund SF803

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Investment Fund Units

Investment fund units are recorded at fair value, which is the closing net asset value (NAV) per unit of the underlying fund.

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Core Conservative Growth Fund SF803

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

Core Conservative Growth Fund SF803

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

k) Income Allocation

Net gain (loss) on investments, which includes realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the NAV per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

3. INVESTMENT FUND UNITS

Investment fund units of the Fund invest solely in units of other segregated investment funds of Canada Life. Units are valued based on the closing unit values of the underlying funds.

Investment activity of the underlying fund indirectly exposes the Fund to financial risk. See note 9 on Financial Instrument Risk Management.

Core Conservative Growth Fund SF803

Notes to the Financial Statements

(in Canadian \$ thousands)

4. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Emperor,
- Flex,
- Generations/Mosaic,
- Generations I,
- Generations II,
- Generations Core,
- Prestige/Prestige Plus, and
- Private Collections.

In addition to the Individual units, units are available for:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

The categories of units are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

Core Conservative Growth Fund SF803

Notes to the Financial Statements

(in Canadian \$ thousands)

5. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

6. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

7. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

Core Conservative Growth Fund SF803

Notes to the Financial Statements

(in Canadian \$ thousands)

8. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.
- c) The Fund invests in assets or underlying funds managed by Canada Life Investment Management Ltd. All investment transactions with the corresponding underlying funds are at quoted market prices.

Core Conservative Growth Fund SF803

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT

a) Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023. The following sections describe the significant risks that are relevant to the Fund.

The Fund employs a passive investment strategy whereby investments in underlying funds are based on target asset weightings. The target weightings allocated to each underlying fund and the selection of underlying funds are based on several factors, including impact to the Fund's volatility and asset class diversification. Significant changes to the selection of underlying funds or the target asset weightings attributed to each underlying fund require contractholder notification. To assist with managing risk, the Fund Manager also maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and other regulations. Financial statements for the underlying funds, which include discussions about their respective risk exposure, are available upon request.

b) Liquidity Risk

Liquidity risk arises when a Fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units. As the Fund primarily invests all of its net assets in the underlying funds, liquidity risk is mitigated by the underlying funds' ability to meet the obligation to fund daily cash redemptions of their redeemable units/shares. In addition, the underlying funds retain sufficient cash and cash equivalent positions to maintain adequate liquidity.

c) Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The Fund's investments in all underlying funds are denominated in Canadian dollars. However, the Fund is indirectly exposed to currency risk to the extent that the investments of the underlying funds are denominated or traded in a foreign currency.

d) Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund does not directly hold any interest-bearing financial instruments. The Fund is indirectly exposed to the risk that the value of interest-bearing financial instruments held by the underlying funds will fluctuate due to changes in the prevailing levels of market interest rates.

e) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund has no direct exposure to credit risk. The greatest indirect concentration of credit risk is in debt securities, such as bonds, held by underlying funds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer. The carrying amount of debt investments represents the maximum credit risk exposure as at December 31, 2023.

f) Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. For the instruments held by the Fund, maximum risk of loss is equivalent to their fair value. The Fund Manager moderates this risk through a careful selection of underlying funds within the parameters of the investment strategy.

Core Conservative Growth Fund SF803

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT (continued)

g) Fair Value Classification

Investment Fund Units are recorded at fair value, which is the closing NAV per unit of the underlying fund. This valuation is considered to be a Level 2 classification.

Core Conservative Growth Fund SF803

Supplemental Information (unaudited)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾

For the years ended December 31	2023	2022	2021	2020	2019
75/75 guarantee policy	2.42	2.45	2.43	2.41	2.41
75/100 guarantee policy	2.48	2.50	2.49	2.46	2.46
100/100 guarantee policy	2.62	2.65	2.63	2.61	2.61
PS1 75/75 guarantee policy	1.98	1.99	1.98	1.95	1.97
PS1 75/100 guarantee policy	2.03	2.05	2.04	2.02	2.02
PS1 100/100 guarantee policy	2.20	2.21	2.21	2.19	2.18
PS 75/75 guarantee policy	1.33	1.33	1.33	1.31	1.31
PS 75/100 guarantee policy	1.38	1.39	1.38	1.37	1.37
PPS 75/75 guarantee policy	0.88	0.89	0.88	0.87	0.87
PPS 75/100 guarantee policy	0.93	0.94	0.93	0.92	—
PPS 100/100 guarantee policy	—	—	1.10	—	—

Portfolio Turnover Rate (%) ⁽²⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	5.49	12.37	11.98	9.91	15.09

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
CORE MODERATE FUND SF804

December 31, 2023

Independent Auditor's Report

To the Contractholders of Core Moderate Fund SF804 (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

Core Moderate Fund SF804

(in Canadian \$ thousands)

Fund Manager: Portfolio Solutions Group, a division of Canada Life Investment Management Ltd.

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ —	\$ —
Investment income due and accrued	—	—
Due from The Canada Life Assurance Company (note 8)	—	—
Due from brokers	—	—
Due from outside parties	—	—
Investments		
Investment fund units (note 3)	56,307	51,581
Total investments	56,307	51,581
Total assets	\$ 56,307	\$ 51,581
Liabilities		
Overdrafts	\$ —	\$ —
Due to The Canada Life Assurance Company (note 8)	—	—
Due to brokers	—	—
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	—	—
Net assets attributable to contractholders	\$ 56,307	\$ 51,581

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 4,888	\$ (5,226)
Miscellaneous income (loss)	—	—
Total income (loss)	4,888	(5,226)
Expenses		
Management fees (note 8)	1,136	1,163
Other	129	133
Total expenses	1,265	1,296
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 3,623	\$ (6,522)

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year	\$ 51,581	\$ 57,575
Contractholder deposits	10,002	9,909
Contractholder withdrawals	(8,899)	(9,381)
Increase (decrease) in net assets from operations attributable to contractholders	3,623	(6,522)
Change in net assets attributable to contractholders	4,726	(5,994)
Net assets attributable to contractholders - end of year	\$ 56,307	\$ 51,581

Core Moderate Fund SF804

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 3,623	\$ (6,522)
Adjustments		
Realized (gains) losses	(733)	(783)
Unrealized (gains) losses	(4,155)	6,009
Gross proceeds of disposition of investments	8,032	10,660
Gross payments for the purchase of investments	(7,870)	(9,892)
	<u>(1,103)</u>	<u>(528)</u>
Financing Activities		
Contractholder deposits	10,002	9,909
Contractholder withdrawals	(8,899)	(9,381)
	<u>1,103</u>	<u>528</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	—	—
Cash, short-term deposits and overdrafts, beginning of year	—	—
Cash, short-term deposits and overdrafts, end of year	<u>\$ —</u>	<u>\$ —</u>

Core Moderate Fund SF804

Schedule of Investment Portfolio

(in Canadian \$ thousands)

As at December 31, 2023

	Average Cost	Fair Value
Investment Fund Units		
Canadian Equity Fund (Laketon) SF009	2,638	3,387
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Royal Bank of Canada	7.72%	
The Toronto-Dominion Bank	6.66%	
Bank of Montreal	4.94%	
Canadian Natural Resources Ltd.	4.07%	
Canadian Pacific Kansas City Ltd.	3.79%	
Canadian Large Cap Equity Index Fund (GWLIM) SF503	2,604	3,387
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Royal Bank of Canada	7.63%	
The Toronto-Dominion Bank	6.42%	
Shopify Inc.	5.05%	
Enbridge Inc.	4.11%	
Canadian National Railway Co.	4.03%	
Dividend Fund S-189LL	5,129	6,777
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Royal Bank of Canada	7.66%	
Bank of Montreal	5.84%	
The Toronto-Dominion Bank	5.59%	
TELUS Corp.	4.22%	
Canadian Natural Resources Ltd.	4.19%	
Fixed Income Fund (Laketon) SF019	33,278	33,763
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Province of Ontario 3.65% 06-02-2033	6.69%	
Government of Canada 2.75% 06-01-2033	4.45%	
Province of Quebec 3.60% 09-01-2033	3.59%	
Province of Quebec 4.40% 12-01-2055	3.19%	
Mackenzie Canadian Aggregate Bond Index ETF *	2.79%	
Global Equity Fund SF034	1,705	2,246
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Microsoft Corp.	4.70%	
Berkshire Hathaway Inc. Class B	4.00%	
Booking Holdings Inc.	3.25%	
Oracle Corp.	3.23%	
Costco Wholesale Corp.	3.20%	

*The issuer of this security is a related company to the issuer of the Fund.

Core Moderate Fund SF804

Schedule of Investment Portfolio

(in Canadian \$ thousands)

As at December 31, 2023

	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units (continued)		
International Equity Fund (P) SF529	1,835	2,260
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Nestle SA	3.01%	
Sanofi SA	2.80%	
CRH PLC	2.77%	
Vinci SA	2.72%	
London Stock Exchange Group PLC	2.68%	
U.S. Equity Fund (GWLIM) SF517	839	1,118
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Microsoft Corp.	5.40%	
Roper Technologies Inc.	5.13%	
Accenture PLC Class A	4.73%	
Aon Corp.	4.66%	
Linde PLC	4.49%	
U.S. Equity Index Fund (GWLIM) SF512	1,574	2,244
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Apple Inc.	6.93%	
Microsoft Corp.	6.88%	
Amazon.com Inc.	3.40%	
NVIDIA Corp.	3.02%	
Alphabet Inc. Class A	2.04%	
U.S. Value Fund S-178LL	752	1,125
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
JPMorgan Chase & Co.	3.60%	
Berkshire Hathaway Inc. Class B	2.30%	
Bank of America Corp.	2.16%	
Johnson & Johnson Inc.	2.06%	
Intel Corp.	2.05%	
Total Investments	50,354	56,307

Core Moderate Fund SF804

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Net Assets Attributable to Contractholders by Category

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
75/75 guarantee policy	974,487	946,126	1,182,861	607,444	405,172	15,744	14,320	20,107	9,803	6,158
75/100 guarantee policy	939,738	937,930	934,414	798,594	622,462	15,059	14,087	15,771	12,803	9,404
100/100 guarantee policy	58,264	58,046	56,509	59,560	44,488	913	853	935	938	661
PS1 75/75 guarantee policy	629,198	598,843	456,966	162,815	75,370	9,706	8,611	7,343	2,472	1,072
PS1 75/100 guarantee policy	741,535	724,128	739,275	373,107	223,329	11,369	10,355	11,821	5,639	3,165
PS1 100/100 guarantee policy	42,954	40,926	39,896	6,301	—	646	575	628	94	—
PS2 75/75 guarantee policy	4,605	1,512	1,535	—	—	90	27	30	—	—
PS2 75/100 guarantee policy	2,173	4,414	5,836	—	—	42	79	114	—	—
PS 75/75 guarantee policy	1,703	15,008	15,734	2,781	—	20	164	191	32	—
PS 75/100 guarantee policy	21,596	25,463	29,682	7,151	—	254	277	360	81	—
PPS 75/75 guarantee policy	170,193	172,036	—	—	—	2,062	1,922	—	—	—
PPS 75/100 guarantee policy	33,245	27,897	22,331	—	—	402	311	275	—	—

Net Assets Attributable to Contractholders Per Unit (note 7)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
75/75 guarantee policy	16.16	15.14	17.00	16.14	15.20	1.02	(1.86)
75/100 guarantee policy	16.02	15.02	16.88	16.03	15.11	1.00	(1.86)
100/100 guarantee policy	15.66	14.70	16.55	15.74	14.86	0.96	(1.85)
PS1 75/75 guarantee policy	15.43	14.38	16.07	15.18	14.23	1.05	(1.69)
PS1 75/100 guarantee policy	15.33	14.30	15.99	15.11	14.17	1.03	(1.69)
PS1 100/100 guarantee policy	15.03	14.04	15.73	14.89	—	0.99	(1.69)
PS2 75/75 guarantee policy	19.57	17.87	19.56	—	—	1.70	(1.69)
PS2 75/100 guarantee policy	19.57	17.87	19.57	—	—	1.70	(1.70)
PS 75/75 guarantee policy	11.79	10.92	12.13	11.39	—	0.87	(1.21)
PS 75/100 guarantee policy	11.76	10.90	12.11	11.38	—	0.86	(1.21)
PPS 75/75 guarantee policy	12.12	11.17	—	—	—	0.95	(1.17)
PPS 75/100 guarantee policy	12.08	11.14	12.32	—	—	0.94	(1.18)

Core Moderate Fund SF804

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Core Moderate Fund SF804 (the Fund) is offered by The Canada Life Assurance Company (Canada Life or the Company).

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

Core Moderate Fund SF804

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

Core Moderate Fund SF804

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in note 9 on Financial Instrument Risk Management.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

Core Moderate Fund SF804

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Investment Fund Units

Investment fund units are recorded at fair value, which is the closing net asset value (NAV) per unit of the underlying fund.

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Core Moderate Fund SF804

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

Core Moderate Fund SF804

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

k) Income Allocation

Net gain (loss) on investments, which includes realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the NAV per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

3. INVESTMENT FUND UNITS

Investment fund units of the Fund invest solely in units of other segregated investment funds of Canada Life. Units are valued based on the closing unit values of the underlying funds.

Investment activity of the underlying fund indirectly exposes the Fund to financial risk. See note 9 on Financial Instrument Risk Management.

Core Moderate Fund SF804

Notes to the Financial Statements

(in Canadian \$ thousands)

4. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Emperor,
- Flex,
- Generations/Mosaic,
- Generations I,
- Generations II,
- Generations Core,
- Prestige/Prestige Plus, and
- Private Collections.

In addition to the Individual units, units are available for:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

The categories of units are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

Core Moderate Fund SF804

Notes to the Financial Statements

(in Canadian \$ thousands)

5. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

6. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

7. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

Core Moderate Fund SF804

Notes to the Financial Statements

(in Canadian \$ thousands)

8. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.
- c) The Fund invests in assets or underlying funds managed by Canada Life Investment Management Ltd. All investment transactions with the corresponding underlying funds are at quoted market prices.

Core Moderate Fund SF804

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT

a) Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023. The following sections describe the significant risks that are relevant to the Fund.

The Fund employs a passive investment strategy whereby investments in underlying funds are based on target asset weightings. The target weightings allocated to each underlying fund and the selection of underlying funds are based on several factors, including impact to the Fund's volatility and asset class diversification. Significant changes to the selection of underlying funds or the target asset weightings attributed to each underlying fund require contractholder notification. To assist with managing risk, the Fund Manager also maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and other regulations. Financial statements for the underlying funds, which include discussions about their respective risk exposure, are available upon request.

b) Liquidity Risk

Liquidity risk arises when a Fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units. As the Fund primarily invests all of its net assets in the underlying funds, liquidity risk is mitigated by the underlying funds' ability to meet the obligation to fund daily cash redemptions of their redeemable units/shares. In addition, the underlying funds retain sufficient cash and cash equivalent positions to maintain adequate liquidity.

c) Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The Fund's investments in all underlying funds are denominated in Canadian dollars. However, the Fund is indirectly exposed to currency risk to the extent that the investments of the underlying funds are denominated or traded in a foreign currency.

d) Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund does not directly hold any interest-bearing financial instruments. The Fund is indirectly exposed to the risk that the value of interest-bearing financial instruments held by the underlying funds will fluctuate due to changes in the prevailing levels of market interest rates.

e) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund has no direct exposure to credit risk. The greatest indirect concentration of credit risk is in debt securities, such as bonds, held by underlying funds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer. The carrying amount of debt investments represents the maximum credit risk exposure as at December 31, 2023.

f) Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. For the instruments held by the Fund, maximum risk of loss is equivalent to their fair value. The Fund Manager moderates this risk through a careful selection of underlying funds within the parameters of the investment strategy.

Core Moderate Fund SF804

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT (continued)

g) Fair Value Classification

Investment Fund Units are recorded at fair value, which is the closing NAV per unit of the underlying fund. This valuation is considered to be a Level 2 classification.

Core Moderate Fund SF804

Supplemental Information (unaudited)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾

For the years ended December 31	2023	2022	2021	2020	2019
75/75 guarantee policy	2.55	2.56	2.53	2.52	2.53
75/100 guarantee policy	2.61	2.61	2.60	2.57	2.58
100/100 guarantee policy	2.76	2.76	2.76	2.73	2.74
PS1 75/75 guarantee policy	2.05	2.05	2.04	2.03	2.04
PS1 75/100 guarantee policy	2.11	2.11	2.10	2.08	2.09
PS1 100/100 guarantee policy	2.28	2.28	2.27	2.23	—
PS 75/75 guarantee policy	1.44	1.44	1.42	1.42	—
PS 75/100 guarantee policy	1.49	1.50	1.48	1.48	—
PPS 75/75 guarantee policy	0.94	0.95	—	—	—
PPS 75/100 guarantee policy	1.00	1.00	0.99	—	—

Portfolio Turnover Rate (%) ⁽²⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	14.34	17.99	8.75	21.12	19.45

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
CORE MODERATE GROWTH PLUS FUND SF805

December 31, 2023

Independent Auditor's Report

To the Contractholders of Core Moderate Growth Plus Fund SF805 (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

Core Moderate Growth Plus Fund SF805

(in Canadian \$ thousands)

Fund Manager: Portfolio Solutions Group, a division of Canada Life Investment Management Ltd.

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ —	\$ —
Investment income due and accrued	—	—
Due from The Canada Life Assurance Company (note 8)	—	—
Due from brokers	—	—
Due from outside parties	—	—
Investments		
Investment fund units (note 3)	42,645	40,713
Total investments	42,645	40,713
Total assets	\$ 42,645	\$ 40,713
Liabilities		
Overdrafts	\$ —	\$ —
Due to The Canada Life Assurance Company (note 8)	—	—
Due to brokers	—	—
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	—	—
Net assets attributable to contractholders	\$ 42,645	\$ 40,713

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 4,039	\$ (3,481)
Miscellaneous income (loss)	—	—
Total income (loss)	4,039	(3,481)
Expenses		
Management fees (note 8)	895	872
Other	103	100
Total expenses	998	972
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 3,041	\$ (4,453)

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year	\$ 40,713	\$ 40,729
Contractholder deposits	4,971	8,724
Contractholder withdrawals	(6,080)	(4,287)
Increase (decrease) in net assets from operations attributable to contractholders	3,041	(4,453)
Change in net assets attributable to contractholders	1,932	(16)
Net assets attributable to contractholders - end of year	\$ 42,645	\$ 40,713

Core Moderate Growth Plus Fund SF805

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 3,041	\$ (4,453)
Adjustments		
Realized (gains) losses	(879)	(739)
Unrealized (gains) losses	(3,160)	4,220
Gross proceeds of disposition of investments	6,498	5,979
Gross payments for the purchase of investments	(4,391)	(9,444)
	<u>1,109</u>	<u>(4,437)</u>
Financing Activities		
Contractholder deposits	4,971	8,724
Contractholder withdrawals	(6,080)	(4,287)
	<u>(1,109)</u>	<u>4,437</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	—	—
Cash, short-term deposits and overdrafts, beginning of year	—	—
Cash, short-term deposits and overdrafts, end of year	<u>\$ —</u>	<u>\$ —</u>

Core Moderate Growth Plus Fund SF805

Schedule of Investment Portfolio

(in Canadian \$ thousands)

As at December 31, 2023

	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units		
Canadian Equity Fund (Laketon) SF009	2,418	3,217
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Royal Bank of Canada	7.72%	
The Toronto-Dominion Bank	6.66%	
Bank of Montreal	4.94%	
Canadian Natural Resources Ltd.	4.07%	
Canadian Pacific Kansas City Ltd.	3.79%	
Canadian Large Cap Equity Index Fund (GWLIM) SF503	2,385	3,215
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Royal Bank of Canada	7.63%	
The Toronto-Dominion Bank	6.42%	
Shopify Inc.	5.05%	
Enbridge Inc.	4.11%	
Canadian National Railway Co.	4.03%	
Dividend Fund S-189LL	4,713	6,429
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Royal Bank of Canada	7.66%	
Bank of Montreal	5.84%	
The Toronto-Dominion Bank	5.59%	
TELUS Corp.	4.22%	
Canadian Natural Resources Ltd.	4.19%	
Fixed Income Fund (Laketon) SF019	20,803	21,271
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Province of Ontario 3.65% 06-02-2033	6.69%	
Government of Canada 2.75% 06-01-2033	4.45%	
Province of Quebec 3.60% 09-01-2033	3.59%	
Province of Quebec 4.40% 12-01-2055	3.19%	
Mackenzie Canadian Aggregate Bond Index ETF *	2.79%	
Global Equity Fund SF034	1,571	2,126
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Microsoft Corp.	4.70%	
Berkshire Hathaway Inc. Class B	4.00%	
Booking Holdings Inc.	3.25%	
Oracle Corp.	3.23%	
Costco Wholesale Corp.	3.20%	

*The issuer of this security is a related company to the issuer of the Fund.

Core Moderate Growth Plus Fund SF805

Schedule of Investment Portfolio

(in Canadian \$ thousands)

As at December 31, 2023

	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units (continued)		
International Equity Fund (P) SF529	1,707	2,143
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Nestle SA	3.01%	
Sanofi SA	2.80%	
CRH PLC	2.77%	
Vinci SA	2.72%	
London Stock Exchange Group PLC	2.68%	
U.S. Equity Fund (GWLIM) SF517	781	1,054
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Microsoft Corp.	5.40%	
Roper Technologies Inc.	5.13%	
Accenture PLC Class A	4.73%	
Aon Corp.	4.66%	
Linde PLC	4.49%	
U.S. Equity Index Fund (GWLIM) SF512	1,442	2,123
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Apple Inc.	6.93%	
Microsoft Corp.	6.88%	
Amazon.com Inc.	3.40%	
NVIDIA Corp.	3.02%	
Alphabet Inc. Class A	2.04%	
U.S. Value Fund S-178LL	691	1,067
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
JPMorgan Chase & Co.	3.60%	
Berkshire Hathaway Inc. Class B	2.30%	
Bank of America Corp.	2.16%	
Johnson & Johnson Inc.	2.06%	
Intel Corp.	2.05%	
Total Investments	36,511	42,645

Core Moderate Growth Plus Fund SF805

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Net Assets Attributable to Contractholders by Category

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
75/75 guarantee policy	298,736	320,035	297,610	201,509	155,979	5,217	5,211	5,417	3,402	2,495
75/100 guarantee policy	1,131,504	1,216,144	1,077,860	875,864	580,488	19,597	19,649	19,477	14,689	9,229
100/100 guarantee policy	49,931	55,077	69,523	45,462	31,390	845	871	1,231	748	491
PS1 75/75 guarantee policy	213,677	224,900	254,029	137,770	87,725	3,595	3,508	4,405	2,205	1,322
PS1 75/100 guarantee policy	650,554	547,462	459,440	177,496	133,706	10,895	8,506	7,940	2,831	2,011
PS1 100/100 guarantee policy	12,957	11,101	12,906	6,047	—	212	169	219	95	—
PS2 75/75 guarantee policy	13,687	15,227	4,944	4,412	—	294	297	105	85	—
PS2 75/100 guarantee policy	29,184	59,298	36,111	10,136	7,948	627	1,156	766	194	140
PS 75/75 guarantee policy	452	427	420	1,124	842	5	5	5	13	9
PS 75/100 guarantee policy	91,091	82,061	43,294	4,298	—	1,100	914	534	49	—
PPS 75/75 guarantee policy	14,526	25,373	35,813	2,998	—	181	290	451	34	—
PPS 75/100 guarantee policy	6,161	12,010	14,231	686	—	77	137	179	8	—

Net Assets Attributable to Contractholders Per Unit (note 7)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
75/75 guarantee policy	17.46	16.28	18.20	16.88	16.00	1.18	(1.92)
75/100 guarantee policy	17.32	16.16	18.07	16.77	15.90	1.16	(1.91)
100/100 guarantee policy	16.92	15.81	17.71	16.46	15.63	1.11	(1.90)
PS1 75/75 guarantee policy	16.82	15.60	17.34	16.00	15.07	1.22	(1.74)
PS1 75/100 guarantee policy	16.75	15.54	17.28	15.95	15.04	1.21	(1.74)
PS1 100/100 guarantee policy	16.39	15.23	16.97	15.69	—	1.16	(1.74)
PS2 75/75 guarantee policy	21.48	19.50	21.22	19.17	—	1.98	(1.72)
PS2 75/100 guarantee policy	21.47	19.50	21.22	19.17	17.69	1.97	(1.72)
PS 75/75 guarantee policy	12.12	11.17	12.35	11.33	10.62	0.95	(1.18)
PS 75/100 guarantee policy	12.08	11.14	12.32	11.31	—	0.94	(1.18)
PPS 75/75 guarantee policy	12.49	11.45	12.59	11.48	—	1.04	(1.14)
PPS 75/100 guarantee policy	12.45	11.42	12.56	11.47	—	1.03	(1.14)

Core Moderate Growth Plus Fund SF805

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Core Moderate Growth Plus Fund SF805 (the Fund) is offered by The Canada Life Assurance Company (Canada Life or the Company).

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

Core Moderate Growth Plus Fund SF805

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

Core Moderate Growth Plus Fund SF805

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in note 9 on Financial Instrument Risk Management.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

Core Moderate Growth Plus Fund SF805

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Investment Fund Units

Investment fund units are recorded at fair value, which is the closing net asset value (NAV) per unit of the underlying fund.

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Core Moderate Growth Plus Fund SF805

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

Core Moderate Growth Plus Fund SF805

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

k) Income Allocation

Net gain (loss) on investments, which includes realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the NAV per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

3. INVESTMENT FUND UNITS

Investment fund units of the Fund invest solely in units of other segregated investment funds of Canada Life. Units are valued based on the closing unit values of the underlying funds.

Investment activity of the underlying fund indirectly exposes the Fund to financial risk. See note 9 on Financial Instrument Risk Management.

Core Moderate Growth Plus Fund SF805

Notes to the Financial Statements

(in Canadian \$ thousands)

4. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Emperor,
- Flex,
- Generations/Mosaic,
- Generations I,
- Generations II,
- Generations Core,
- Prestige/Prestige Plus, and
- Private Collections.

In addition to the Individual units, units are available for:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

The categories of units are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

Core Moderate Growth Plus Fund SF805

Notes to the Financial Statements

(in Canadian \$ thousands)

5. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

6. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

7. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

Core Moderate Growth Plus Fund SF805

Notes to the Financial Statements

(in Canadian \$ thousands)

8. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.
- c) The Fund invests in assets or underlying funds managed by Canada Life Investment Management Ltd. All investment transactions with the corresponding underlying funds are at quoted market prices.

Core Moderate Growth Plus Fund SF805

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT

a) Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023. The following sections describe the significant risks that are relevant to the Fund.

The Fund employs a passive investment strategy whereby investments in underlying funds are based on target asset weightings. The target weightings allocated to each underlying fund and the selection of underlying funds are based on several factors, including impact to the Fund's volatility and asset class diversification. Significant changes to the selection of underlying funds or the target asset weightings attributed to each underlying fund require contractholder notification. To assist with managing risk, the Fund Manager also maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and other regulations. Financial statements for the underlying funds, which include discussions about their respective risk exposure, are available upon request.

b) Liquidity Risk

Liquidity risk arises when a Fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units. As the Fund primarily invests all of its net assets in the underlying funds, liquidity risk is mitigated by the underlying funds' ability to meet the obligation to fund daily cash redemptions of their redeemable units/shares. In addition, the underlying funds retain sufficient cash and cash equivalent positions to maintain adequate liquidity.

c) Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The Fund's investments in all underlying funds are denominated in Canadian dollars. However, the Fund is indirectly exposed to currency risk to the extent that the investments of the underlying funds are denominated or traded in a foreign currency.

d) Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund does not directly hold any interest-bearing financial instruments. The Fund is indirectly exposed to the risk that the value of interest-bearing financial instruments held by the underlying funds will fluctuate due to changes in the prevailing levels of market interest rates.

e) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund has no direct exposure to credit risk. The greatest indirect concentration of credit risk is in debt securities, such as bonds, held by underlying funds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer. The carrying amount of debt investments represents the maximum credit risk exposure as at December 31, 2023.

f) Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. For the instruments held by the Fund, maximum risk of loss is equivalent to their fair value. The Fund Manager moderates this risk through a careful selection of underlying funds within the parameters of the investment strategy.

Core Moderate Growth Plus Fund SF805

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT (continued)

g) Fair Value Classification

Investment Fund Units are recorded at fair value, which is the closing NAV per unit of the underlying fund. This valuation is considered to be a Level 2 classification.

Core Moderate Growth Plus Fund SF805

Supplemental Information *(unaudited)*

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾

For the years ended December 31	2023	2022	2021	2020	2019
75/75 guarantee policy	2.66	2.66	2.65	2.63	2.63
75/100 guarantee policy	2.72	2.72	2.71	2.69	2.69
100/100 guarantee policy	2.88	2.88	2.86	2.84	2.84
PS1 75/75 guarantee policy	2.11	2.12	2.10	2.09	2.08
PS1 75/100 guarantee policy	2.17	2.17	2.15	2.14	2.14
PS1 100/100 guarantee policy	2.34	2.34	2.32	2.29	—
PS 75/75 guarantee policy	1.54	1.54	1.56	1.54	1.53
PS 75/100 guarantee policy	1.61	1.60	1.59	1.59	—
PPS 75/75 guarantee policy	1.00	1.00	0.99	0.97	—
PPS 75/100 guarantee policy	1.06	1.06	1.04	1.04	—

Portfolio Turnover Rate (%) ⁽²⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	10.53	14.83	5.91	14.57	19.52

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
BALANCED FUND (FIDELITY) SF806

December 31, 2023

Independent Auditor's Report

To the Contractholders of Balanced Fund (Fidelity) SF806 (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

Balanced Fund (Fidelity) SF806

(in Canadian \$ thousands)

Fund Manager: Portfolio Solutions Group, a division of Canada Life Investment Management Ltd.

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ —	\$ —
Investment income due and accrued	—	—
Due from The Canada Life Assurance Company (note 8)	—	—
Due from brokers	—	—
Due from outside parties	—	—
Investments		
Investment fund units (note 3)	59,135	62,474
Total investments	59,135	62,474
Total assets	\$ 59,135	\$ 62,474
Liabilities		
Overdrafts	\$ —	\$ —
Due to The Canada Life Assurance Company (note 8)	—	—
Due to brokers	—	—
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	—	—
Net assets attributable to contractholders	\$ 59,135	\$ 62,474

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 7,151	\$ (7,138)
Miscellaneous income (loss)	—	—
Total income (loss)	7,151	(7,138)
Expenses		
Management fees (note 8)	1,620	1,832
Other	161	181
Total expenses	1,781	2,013
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 5,370	\$ (9,151)

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year	\$ 62,474	\$ 79,740
Contractholder deposits	548	384
Contractholder withdrawals	(9,257)	(8,499)
Increase (decrease) in net assets from operations attributable to contractholders	5,370	(9,151)
Change in net assets attributable to contractholders	(3,339)	(17,266)
Net assets attributable to contractholders - end of year	\$ 59,135	\$ 62,474

Balanced Fund (Fidelity) SF806

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 5,370	\$ (9,151)
Adjustments		
Realized (gains) losses	(5,100)	(4,471)
Unrealized (gains) losses	(2,051)	11,609
Gross proceeds of disposition of investments	10,896	10,273
Gross payments for the purchase of investments	(406)	(145)
	<u>8,709</u>	<u>8,115</u>
Financing Activities		
Contractholder deposits	548	384
Contractholder withdrawals	(9,257)	(8,499)
	<u>(8,709)</u>	<u>(8,115)</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	—	—
Cash, short-term deposits and overdrafts, beginning of year	—	—
Cash, short-term deposits and overdrafts, end of year	<u>\$ —</u>	<u>\$ —</u>

Balanced Fund (Fidelity) SF806

Schedule of Investment Portfolio

(in Canadian \$ thousands)

As at December 31, 2023

	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units		
Canadian Bond Fund (Fidelity) SF502	18,743	23,598
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Government of Canada 2.75% 06-01-2033	3.34%	
Canada Housing Trust No. 1 4.25% 03-15-2034 144A	2.67%	
Province of Ontario 1.75% 09-08-2025	2.65%	
Province of Ontario 2.60% 06-02-2027	2.51%	
Government of Canada 1.75% 12-01-2053	2.50%	
Canadian Disciplined Equity Fund (Fidelity) SF505	6,468	16,025
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Canadian National Railway Co.	6.57%	
Royal Bank of Canada	5.68%	
The Toronto-Dominion Bank	4.95%	
Canadian Natural Resources Ltd.	4.16%	
Rogers Communications Inc. Class B non-voting	4.00%	
Canadian Large Cap Equity Index Fund (GWLIM) SF503	2,509	5,339
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Royal Bank of Canada	7.63%	
The Toronto-Dominion Bank	6.42%	
Shopify Inc.	5.05%	
Enbridge Inc.	4.11%	
Canadian National Railway Co.	4.03%	
Global Disciplined Equity Fund (Fidelity) SF506	3,765	10,643
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Microsoft Corp.	4.60%	
NVIDIA Corp.	3.50%	
Apple Inc.	3.06%	
Amazon.com Inc.	2.61%	
Alphabet Inc. Class C	2.02%	
U.S. Equity Index Fund (GWLIM) SF512	1,026	3,530
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Apple Inc.	6.93%	
Microsoft Corp.	6.88%	
Amazon.com Inc.	3.40%	
NVIDIA Corp.	3.02%	
Alphabet Inc. Class A	2.04%	
Total Investments	32,511	59,135

Balanced Fund (Fidelity) SF806

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Net Assets Attributable to Contractholders by Category

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
75/75 guarantee policy	397,121	437,273	468,090	524,517	577,971	7,540	7,602	9,227	9,428	9,575
75/100 guarantee policy	2,167,341	2,497,125	2,840,418	3,233,979	3,629,063	40,853	43,123	55,646	57,808	59,824
100/100 guarantee policy	112,413	124,339	140,994	158,496	192,269	2,075	2,106	2,714	2,788	3,123
PS1 75/75 guarantee policy	36,428	74,780	101,260	92,014	119,585	697	1,302	1,987	1,637	1,950
PS1 75/100 guarantee policy	373,731	435,450	473,247	507,527	544,062	7,102	7,538	9,240	8,989	8,836
PS1 100/100 guarantee policy	22,686	23,006	23,431	25,206	25,358	423	391	450	440	407
PS2 75/100 guarantee policy	17,258	17,583	18,119	17,417	17,802	437	396	449	382	349
PS2 100/100 guarantee policy	301	692	1,103	1,838	2,337	8	16	27	41	46

Net Assets Attributable to Contractholders Per Unit (note 7)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
75/75 guarantee policy	18.99	17.38	19.71	17.98	16.57	1.61	(2.33)
75/100 guarantee policy	18.85	17.27	19.59	17.88	16.48	1.58	(2.32)
100/100 guarantee policy	18.46	16.94	19.24	17.59	16.24	1.52	(2.30)
PS1 75/75 guarantee policy	19.12	17.41	19.63	17.79	16.31	1.71	(2.22)
PS1 75/100 guarantee policy	19.00	17.31	19.52	17.71	16.24	1.69	(2.21)
PS1 100/100 guarantee policy	18.64	17.01	19.22	17.46	16.04	1.63	(2.21)
PS2 75/100 guarantee policy	25.34	22.52	24.78	21.93	19.62	2.82	(2.26)
PS2 100/100 guarantee policy	25.38	22.56	24.82	21.97	19.65	2.82	(2.26)

Balanced Fund (Fidelity) SF806

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Balanced Fund (Fidelity) SF806 (the Fund) is offered by The Canada Life Assurance Company (Canada Life or the Company).

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

Balanced Fund (Fidelity) SF806

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

Balanced Fund (Fidelity) SF806

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in note 9 on Financial Instrument Risk Management.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

Balanced Fund (Fidelity) SF806

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Investment Fund Units

Investment fund units are recorded at fair value, which is the closing net asset value (NAV) per unit of the underlying fund.

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Balanced Fund (Fidelity) SF806

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

Balanced Fund (Fidelity) SF806

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

k) Income Allocation

Net gain (loss) on investments, which includes realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the NAV per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

3. INVESTMENT FUND UNITS

Investment fund units of the Fund invest solely in units of other segregated investment funds of Canada Life. Units are valued based on the closing unit values of the underlying funds.

Investment activity of the underlying fund indirectly exposes the Fund to financial risk. See note 9 on Financial Instrument Risk Management.

Balanced Fund (Fidelity) SF806

Notes to the Financial Statements

(in Canadian \$ thousands)

4. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Emperor,
- Flex,
- Generations/Mosaic,
- Generations I,
- Generations II,
- Generations Core,
- Prestige/Prestige Plus, and
- Private Collections.

In addition to the Individual units, units are available for:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

The categories of units are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

Balanced Fund (Fidelity) SF806

Notes to the Financial Statements

(in Canadian \$ thousands)

5. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

6. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

7. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

Balanced Fund (Fidelity) SF806

Notes to the Financial Statements

(in Canadian \$ thousands)

8. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.
- c) The Fund invests in assets or underlying funds managed by Canada Life Investment Management Ltd. All investment transactions with the corresponding underlying funds are at quoted market prices.

Balanced Fund (Fidelity) SF806

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT

a) Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023. The following sections describe the significant risks that are relevant to the Fund.

The Fund employs a passive investment strategy whereby investments in underlying funds are based on target asset weightings. The target weightings allocated to each underlying fund and the selection of underlying funds are based on several factors, including impact to the Fund's volatility and asset class diversification. Significant changes to the selection of underlying funds or the target asset weightings attributed to each underlying fund require contractholder notification. To assist with managing risk, the Fund Manager also maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and other regulations. Financial statements for the underlying funds, which include discussions about their respective risk exposure, are available upon request.

b) Liquidity Risk

Liquidity risk arises when a Fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units. As the Fund primarily invests all of its net assets in the underlying funds, liquidity risk is mitigated by the underlying funds' ability to meet the obligation to fund daily cash redemptions of their redeemable units/shares. In addition, the underlying funds retain sufficient cash and cash equivalent positions to maintain adequate liquidity.

c) Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The Fund's investments in all underlying funds are denominated in Canadian dollars. However, the Fund is indirectly exposed to currency risk to the extent that the investments of the underlying funds are denominated or traded in a foreign currency.

d) Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund does not directly hold any interest-bearing financial instruments. The Fund is indirectly exposed to the risk that the value of interest-bearing financial instruments held by the underlying funds will fluctuate due to changes in the prevailing levels of market interest rates.

e) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund has no direct exposure to credit risk. The greatest indirect concentration of credit risk is in debt securities, such as bonds, held by underlying funds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer. The carrying amount of debt investments represents the maximum credit risk exposure as at December 31, 2023.

f) Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. For the instruments held by the Fund, maximum risk of loss is equivalent to their fair value. The Fund Manager moderates this risk through a careful selection of underlying funds within the parameters of the investment strategy.

Balanced Fund (Fidelity) SF806

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT (continued)

g) Fair Value Classification

Investment Fund Units are recorded at fair value, which is the closing NAV per unit of the underlying fund. This valuation is considered to be a Level 2 classification.

Balanced Fund (Fidelity) SF806

Supplemental Information *(unaudited)*

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾

For the years ended December 31	2023	2022	2021	2020	2019
75/75 guarantee policy	2.99	2.99	3.00	3.00	3.00
75/100 guarantee policy	3.04	3.05	3.05	3.05	3.06
100/100 guarantee policy	3.20	3.20	3.21	3.21	3.21
PS1 75/75 guarantee policy	2.41	2.42	2.42	2.42	2.42
PS1 75/100 guarantee policy	2.47	2.47	2.47	2.47	2.48
PS1 100/100 guarantee policy	2.63	2.63	2.64	2.64	2.64

Portfolio Turnover Rate (%) ⁽²⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	0.66	0.21	0.69	9.38	7.05

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
MODERATE GROWTH PLUS FUND (FIDELITY) SF807

December 31, 2023

Independent Auditor's Report

To the Contractholders of Moderate Growth Plus Fund (Fidelity) SF807 (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

Moderate Growth Plus Fund (Fidelity) SF807

(in Canadian \$ thousands)

Fund Manager: Portfolio Solutions Group, a division of Canada Life Investment Management Ltd.

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ —	\$ —
Investment income due and accrued	—	—
Due from The Canada Life Assurance Company (note 8)	—	—
Due from brokers	—	—
Due from outside parties	—	—
Investments		
Investment fund units (note 3)	17,813	19,199
Total investments	17,813	19,199
Total assets	\$ 17,813	\$ 19,199
Liabilities		
Overdrafts	\$ —	\$ —
Due to The Canada Life Assurance Company (note 8)	—	—
Due to brokers	—	—
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	—	—
Net assets attributable to contractholders	\$ 17,813	\$ 19,199

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 2,003	\$ (2,341)
Miscellaneous income (loss)	—	—
Total income (loss)	2,003	(2,341)
Expenses		
Management fees (note 8)	476	549
Other	51	58
Total expenses	527	607
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 1,476	\$ (2,948)

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year	\$ 19,199	\$ 25,074
Contractholder deposits	51	75
Contractholder withdrawals	(2,913)	(3,002)
Increase (decrease) in net assets from operations attributable to contractholders	1,476	(2,948)
Change in net assets attributable to contractholders	(1,386)	(5,875)
Net assets attributable to contractholders - end of year	\$ 17,813	\$ 19,199

Moderate Growth Plus Fund (Fidelity) SF807

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 1,476	\$ (2,948)
Adjustments		
Realized (gains) losses	(1,386)	(1,443)
Unrealized (gains) losses	(617)	3,784
Gross proceeds of disposition of investments	3,418	3,782
Gross payments for the purchase of investments	(29)	(248)
	<u>2,862</u>	<u>2,927</u>
Financing Activities		
Contractholder deposits	51	75
Contractholder withdrawals	(2,913)	(3,002)
	<u>(2,862)</u>	<u>(2,927)</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	—	—
Cash, short-term deposits and overdrafts, beginning of year	—	—
Cash, short-term deposits and overdrafts, end of year	<u>\$ —</u>	<u>\$ —</u>

Moderate Growth Plus Fund (Fidelity) SF807

Schedule of Investment Portfolio

(in Canadian \$ thousands)

As at December 31, 2023

	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units		
Canadian Bond Fund (Fidelity) SF502	6,994	8,895
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Government of Canada 2.75% 06-01-2033	3.34%	
Canada Housing Trust No. 1 4.25% 03-15-2034 144A	2.67%	
Province of Ontario 1.75% 09-08-2025	2.65%	
Province of Ontario 2.60% 06-02-2027	2.51%	
Government of Canada 1.75% 12-01-2053	2.50%	
Canadian Disciplined Equity Fund (Fidelity) SF505	1,725	4,046
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Canadian National Railway Co.	6.57%	
Royal Bank of Canada	5.68%	
The Toronto-Dominion Bank	4.95%	
Canadian Natural Resources Ltd.	4.16%	
Rogers Communications Inc. Class B non-voting	4.00%	
Canadian Large Cap Equity Index Fund (GWLIM) SF503	656	1,348
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Royal Bank of Canada	7.63%	
The Toronto-Dominion Bank	6.42%	
Shopify Inc.	5.05%	
Enbridge Inc.	4.11%	
Canadian National Railway Co.	4.03%	
Global Disciplined Equity Fund (Fidelity) SF506	1,043	2,641
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Microsoft Corp.	4.60%	
NVIDIA Corp.	3.50%	
Apple Inc.	3.06%	
Amazon.com Inc.	2.61%	
Alphabet Inc. Class C	2.02%	
U.S. Equity Index Fund (GWLIM) SF512	294	883
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Apple Inc.	6.93%	
Microsoft Corp.	6.88%	
Amazon.com Inc.	3.40%	
NVIDIA Corp.	3.02%	
Alphabet Inc. Class A	2.04%	
Total Investments	10,712	17,813

Moderate Growth Plus Fund (Fidelity) SF807

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Net Assets Attributable to Contractholders by Category

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
75/75 guarantee policy	121,382	143,990	159,847	184,805	209,427	2,130	2,330	2,941	3,170	3,314
75/100 guarantee policy	750,491	852,462	972,296	1,058,702	1,315,693	13,067	13,693	17,768	18,049	20,702
100/100 guarantee policy	22,323	24,012	36,033	36,719	38,483	379	377	645	614	595
PS1 75/75 guarantee policy	3,573	29,399	37,943	41,045	78,873	63	472	688	690	1,216
PS1 75/100 guarantee policy	122,439	143,240	165,153	165,996	169,489	2,129	2,284	2,979	2,777	2,602
PS1 100/100 guarantee policy	597	597	597	—	—	10	9	11	—	—
PS 75/75 guarantee policy	2,802	3,004	3,242	3,292	3,345	35	34	42	39	36

Net Assets Attributable to Contractholders Per Unit (note 7)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
75/75 guarantee policy	17.55	16.18	18.40	17.16	15.83	1.37	(2.22)
75/100 guarantee policy	17.41	16.06	18.27	17.05	15.73	1.35	(2.21)
100/100 guarantee policy	17.00	15.71	17.90	16.73	15.47	1.29	(2.19)
PS1 75/75 guarantee policy	17.50	16.04	18.13	16.81	15.41	1.46	(2.09)
PS1 75/100 guarantee policy	17.39	15.95	18.04	16.73	15.35	1.44	(2.09)
PS1 100/100 guarantee policy	17.06	15.67	17.75	—	—	1.39	(2.08)
PS 75/75 guarantee policy	12.52	11.42	12.84	11.84	10.80	1.10	(1.42)

Moderate Growth Plus Fund (Fidelity) SF807

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Moderate Growth Plus Fund (Fidelity) SF807 (the Fund) is offered by The Canada Life Assurance Company (Canada Life or the Company).

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

Moderate Growth Plus Fund (Fidelity) SF807

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

Moderate Growth Plus Fund (Fidelity) SF807

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in note 9 on Financial Instrument Risk Management.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

Moderate Growth Plus Fund (Fidelity) SF807

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Investment Fund Units

Investment fund units are recorded at fair value, which is the closing net asset value (NAV) per unit of the underlying fund.

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Moderate Growth Plus Fund (Fidelity) SF807

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

Moderate Growth Plus Fund (Fidelity) SF807

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

k) Income Allocation

Net gain (loss) on investments, which includes realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the NAV per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

3. INVESTMENT FUND UNITS

Investment fund units of the Fund invest solely in units of other segregated investment funds of Canada Life. Units are valued based on the closing unit values of the underlying funds.

Investment activity of the underlying fund indirectly exposes the Fund to financial risk. See note 9 on Financial Instrument Risk Management.

Moderate Growth Plus Fund (Fidelity) SF807

Notes to the Financial Statements

(in Canadian \$ thousands)

4. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Emperor,
- Flex,
- Generations/Mosaic,
- Generations I,
- Generations II,
- Generations Core,
- Prestige/Prestige Plus, and
- Private Collections.

In addition to the Individual units, units are available for:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

The categories of units are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

Moderate Growth Plus Fund (Fidelity) SF807

Notes to the Financial Statements

(in Canadian \$ thousands)

5. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

6. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

7. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

Moderate Growth Plus Fund (Fidelity) SF807

Notes to the Financial Statements

(in Canadian \$ thousands)

8. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.
- c) The Fund invests in assets or underlying funds managed by Canada Life Investment Management Ltd. All investment transactions with the corresponding underlying funds are at quoted market prices.

Moderate Growth Plus Fund (Fidelity) SF807

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT

a) Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023. The following sections describe the significant risks that are relevant to the Fund.

The Fund employs a passive investment strategy whereby investments in underlying funds are based on target asset weightings. The target weightings allocated to each underlying fund and the selection of underlying funds are based on several factors, including impact to the Fund's volatility and asset class diversification. Significant changes to the selection of underlying funds or the target asset weightings attributed to each underlying fund require contractholder notification. To assist with managing risk, the Fund Manager also maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and other regulations. Financial statements for the underlying funds, which include discussions about their respective risk exposure, are available upon request.

b) Liquidity Risk

Liquidity risk arises when a Fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units. As the Fund primarily invests all of its net assets in the underlying funds, liquidity risk is mitigated by the underlying funds' ability to meet the obligation to fund daily cash redemptions of their redeemable units/shares. In addition, the underlying funds retain sufficient cash and cash equivalent positions to maintain adequate liquidity.

c) Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The Fund's investments in all underlying funds are denominated in Canadian dollars. However, the Fund is indirectly exposed to currency risk to the extent that the investments of the underlying funds are denominated or traded in a foreign currency.

d) Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund does not directly hold any interest-bearing financial instruments. The Fund is indirectly exposed to the risk that the value of interest-bearing financial instruments held by the underlying funds will fluctuate due to changes in the prevailing levels of market interest rates.

e) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund has no direct exposure to credit risk. The greatest indirect concentration of credit risk is in debt securities, such as bonds, held by underlying funds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer. The carrying amount of debt investments represents the maximum credit risk exposure as at December 31, 2023.

f) Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. For the instruments held by the Fund, maximum risk of loss is equivalent to their fair value. The Fund Manager moderates this risk through a careful selection of underlying funds within the parameters of the investment strategy.

Moderate Growth Plus Fund (Fidelity) SF807

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT (continued)

g) Fair Value Classification

Investment Fund Units are recorded at fair value, which is the closing NAV per unit of the underlying fund. This valuation is considered to be a Level 2 classification.

Moderate Growth Plus Fund (Fidelity) SF807

Supplemental Information *(unaudited)*

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾

For the years ended December 31	2023	2022	2021	2020	2019
75/75 guarantee policy	2.91	2.91	2.92	2.92	2.93
75/100 guarantee policy	2.95	2.96	2.97	2.97	2.97
100/100 guarantee policy	3.12	3.13	3.13	3.13	3.14
PS1 75/75 guarantee policy	2.32	2.33	2.33	2.33	2.33
PS1 75/100 guarantee policy	2.37	2.38	2.38	2.38	2.38
PS1 100/100 guarantee policy	2.53	2.53	2.55	—	—
PS 75/75 guarantee policy	1.81	1.81	1.81	1.81	1.80

Portfolio Turnover Rate (%) ⁽²⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	0.15	1.17	0.42	10.24	7.39

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
MODERATE INCOME FUND (FIDELITY) SF808

December 31, 2023

Independent Auditor's Report

To the Contractholders of Moderate Income Fund (Fidelity) SF808 (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

Moderate Income Fund (Fidelity) SF808

(in Canadian \$ thousands)

Fund Manager: Portfolio Solutions Group, a division of Canada Life Investment Management Ltd.

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ —	\$ —
Investment income due and accrued	—	—
Due from The Canada Life Assurance Company (note 8)	—	—
Due from brokers	—	—
Due from outside parties	—	—
Investments		
Investment fund units (note 3)	14,346	15,377
Total investments	14,346	15,377
Total assets	\$ 14,346	\$ 15,377
Liabilities		
Overdrafts	\$ —	\$ —
Due to The Canada Life Assurance Company (note 8)	—	—
Due to brokers	—	—
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	—	—
Net assets attributable to contractholders	\$ 14,346	\$ 15,377

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 1,436	\$ (1,923)
Miscellaneous income (loss)	—	—
Total income (loss)	1,436	(1,923)
Expenses		
Management fees (note 8)	355	401
Other	37	43
Total expenses	392	444
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 1,044	\$ (2,367)

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year	\$ 15,377	\$ 19,738
Contractholder deposits	82	98
Contractholder withdrawals	(2,157)	(2,092)
Increase (decrease) in net assets from operations attributable to contractholders	1,044	(2,367)
Change in net assets attributable to contractholders	(1,031)	(4,361)
Net assets attributable to contractholders - end of year	\$ 14,346	\$ 15,377

Moderate Income Fund (Fidelity) SF808

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 1,044	\$ (2,367)
Adjustments		
Realized (gains) losses	(748)	(728)
Unrealized (gains) losses	(688)	2,651
Gross proceeds of disposition of investments	2,511	2,502
Gross payments for the purchase of investments	(44)	(64)
	<u>2,075</u>	<u>1,994</u>
Financing Activities		
Contractholder deposits	82	98
Contractholder withdrawals	(2,157)	(2,092)
	<u>(2,075)</u>	<u>(1,994)</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	—	—
Cash, short-term deposits and overdrafts, beginning of year	—	—
Cash, short-term deposits and overdrafts, end of year	<u>\$ —</u>	<u>\$ —</u>

Moderate Income Fund (Fidelity) SF808

Schedule of Investment Portfolio

(in Canadian \$ thousands)

As at December 31, 2023

	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units		
Canadian Bond Fund (Fidelity) SF502	7,619	9,325
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Government of Canada 2.75% 06-01-2033	3.34%	
Canada Housing Trust No. 1 4.25% 03-15-2034 144A	2.67%	
Province of Ontario 1.75% 09-08-2025	2.65%	
Province of Ontario 2.60% 06-02-2027	2.51%	
Government of Canada 1.75% 12-01-2053	2.50%	
Canadian Disciplined Equity Fund (Fidelity) SF505	1,095	2,274
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Canadian National Railway Co.	6.57%	
Royal Bank of Canada	5.68%	
The Toronto-Dominion Bank	4.95%	
Canadian Natural Resources Ltd.	4.16%	
Rogers Communications Inc. Class B non-voting	4.00%	
Canadian Large Cap Equity Index Fund (GWLIM) SF503	397	757
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Royal Bank of Canada	7.63%	
The Toronto-Dominion Bank	6.42%	
Shopify Inc.	5.05%	
Enbridge Inc.	4.11%	
Canadian National Railway Co.	4.03%	
Global Disciplined Equity Fund (Fidelity) SF506	679	1,491
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Microsoft Corp.	4.60%	
NVIDIA Corp.	3.50%	
Apple Inc.	3.06%	
Amazon.com Inc.	2.61%	
Alphabet Inc. Class C	2.02%	
U.S. Equity Index Fund (GWLIM) SF512	196	499
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Apple Inc.	6.93%	
Microsoft Corp.	6.88%	
Amazon.com Inc.	3.40%	
NVIDIA Corp.	3.02%	
Alphabet Inc. Class A	2.04%	
Total Investments	9,986	14,346

Moderate Income Fund (Fidelity) SF808

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Net Assets Attributable to Contractholders by Category

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
75/75 guarantee policy	204,436	230,058	266,825	296,151	306,950	3,212	3,367	4,462	4,772	4,567
75/100 guarantee policy	470,821	557,571	639,560	766,761	899,842	7,327	8,088	10,607	12,262	13,294
100/100 guarantee policy	23,468	23,673	24,284	23,925	31,078	356	336	394	375	451
PS1 75/75 guarantee policy	26,650	47,569	35,759	38,412	40,877	409	676	577	595	581
PS1 75/100 guarantee policy	126,373	130,724	151,169	158,964	163,690	1,928	1,848	2,429	2,448	2,316
PS1 100/100 guarantee policy	74,492	76,491	80,250	82,142	84,141	1,114	1,062	1,269	1,247	1,176
PS2 75/75 guarantee policy	—	—	—	—	438	—	—	—	—	7

Net Assets Attributable to Contractholders Per Unit (note 7)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
75/75 guarantee policy	15.71	14.63	16.72	16.11	14.88	1.08	(2.09)
75/100 guarantee policy	15.56	14.51	16.58	15.99	14.77	1.05	(2.07)
100/100 guarantee policy	15.18	14.18	16.23	15.68	14.50	1.00	(2.05)
PS1 75/75 guarantee policy	15.35	14.22	16.15	15.48	14.21	1.13	(1.93)
PS1 75/100 guarantee policy	15.25	14.14	16.07	15.40	14.15	1.11	(1.93)
PS1 100/100 guarantee policy	14.96	13.89	15.81	15.18	13.97	1.07	(1.92)
PS2 75/75 guarantee policy	—	—	—	—	16.75	—	—

Moderate Income Fund (Fidelity) SF808

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Moderate Income Fund (Fidelity) SF808 (the Fund) is offered by The Canada Life Assurance Company (Canada Life or the Company).

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

Moderate Income Fund (Fidelity) SF808

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

Moderate Income Fund (Fidelity) SF808

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in note 9 on Financial Instrument Risk Management.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

Moderate Income Fund (Fidelity) SF808

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Investment Fund Units

Investment fund units are recorded at fair value, which is the closing net asset value (NAV) per unit of the underlying fund.

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Moderate Income Fund (Fidelity) SF808

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

Moderate Income Fund (Fidelity) SF808

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

k) Income Allocation

Net gain (loss) on investments, which includes realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the NAV per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

3. INVESTMENT FUND UNITS

Investment fund units of the Fund invest solely in units of other segregated investment funds of Canada Life. Units are valued based on the closing unit values of the underlying funds.

Investment activity of the underlying fund indirectly exposes the Fund to financial risk. See note 9 on Financial Instrument Risk Management.

Moderate Income Fund (Fidelity) SF808

Notes to the Financial Statements

(in Canadian \$ thousands)

4. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Emperor,
- Flex,
- Generations/Mosaic,
- Generations I,
- Generations II,
- Generations Core,
- Prestige/Prestige Plus, and
- Private Collections.

In addition to the Individual units, units are available for:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

The categories of units are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

Moderate Income Fund (Fidelity) SF808

Notes to the Financial Statements

(in Canadian \$ thousands)

5. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

6. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

7. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

Moderate Income Fund (Fidelity) SF808

Notes to the Financial Statements

(in Canadian \$ thousands)

8. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.
- c) The Fund invests in assets or underlying funds managed by Canada Life Investment Management Ltd. All investment transactions with the corresponding underlying funds are at quoted market prices.

Moderate Income Fund (Fidelity) SF808

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT

a) Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023. The following sections describe the significant risks that are relevant to the Fund.

The Fund employs a passive investment strategy whereby investments in underlying funds are based on target asset weightings. The target weightings allocated to each underlying fund and the selection of underlying funds are based on several factors, including impact to the Fund's volatility and asset class diversification. Significant changes to the selection of underlying funds or the target asset weightings attributed to each underlying fund require contractholder notification. To assist with managing risk, the Fund Manager also maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and other regulations. Financial statements for the underlying funds, which include discussions about their respective risk exposure, are available upon request.

b) Liquidity Risk

Liquidity risk arises when a Fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units. As the Fund primarily invests all of its net assets in the underlying funds, liquidity risk is mitigated by the underlying funds' ability to meet the obligation to fund daily cash redemptions of their redeemable units/shares. In addition, the underlying funds retain sufficient cash and cash equivalent positions to maintain adequate liquidity.

c) Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The Fund's investments in all underlying funds are denominated in Canadian dollars. However, the Fund is indirectly exposed to currency risk to the extent that the investments of the underlying funds are denominated or traded in a foreign currency.

d) Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund does not directly hold any interest-bearing financial instruments. The Fund is indirectly exposed to the risk that the value of interest-bearing financial instruments held by the underlying funds will fluctuate due to changes in the prevailing levels of market interest rates.

e) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund has no direct exposure to credit risk. The greatest indirect concentration of credit risk is in debt securities, such as bonds, held by underlying funds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer. The carrying amount of debt investments represents the maximum credit risk exposure as at December 31, 2023.

f) Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. For the instruments held by the Fund, maximum risk of loss is equivalent to their fair value. The Fund Manager moderates this risk through a careful selection of underlying funds within the parameters of the investment strategy.

Moderate Income Fund (Fidelity) SF808

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT (continued)

g) Fair Value Classification

Investment Fund Units are recorded at fair value, which is the closing NAV per unit of the underlying fund. This valuation is considered to be a Level 2 classification.

Moderate Income Fund (Fidelity) SF808

Supplemental Information *(unaudited)*

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾

For the years ended December 31	2023	2022	2021	2020	2019
75/75 guarantee policy	2.73	2.74	2.73	2.73	2.74
75/100 guarantee policy	2.78	2.79	2.79	2.78	2.80
100/100 guarantee policy	2.94	2.95	2.94	2.94	2.95
PS1 75/75 guarantee policy	2.15	2.15	2.15	2.15	2.16
PS1 75/100 guarantee policy	2.20	2.21	2.21	2.20	2.21
PS1 100/100 guarantee policy	2.37	2.38	2.37	2.37	2.38

Portfolio Turnover Rate (%) ⁽²⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	0.29	0.37	0.94	10.89	14.13

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
BALANCED INCOME FUND (FRANKLIN TEMPLETON) SF809

December 31, 2023

Independent Auditor's Report

To the Contractholders of Balanced Income Fund (Franklin Templeton) SF809 (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

Balanced Income Fund (Franklin Templeton) SF809

(in Canadian \$ thousands)

Fund Manager: Portfolio Solutions Group, a division of Canada Life Investment Management Ltd.

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ —	\$ —
Investment income due and accrued	—	—
Due from The Canada Life Assurance Company (note 8)	—	—
Due from brokers	—	—
Due from outside parties	—	—
Investments		
Investment fund units (note 3)	13,030	13,506
Total investments	13,030	13,506
Total assets	\$ 13,030	\$ 13,506
Liabilities		
Overdrafts	\$ —	\$ —
Due to The Canada Life Assurance Company (note 8)	—	—
Due to brokers	—	—
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	—	—
Net assets attributable to contractholders	\$ 13,030	\$ 13,506

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 1,438	\$ (1,132)
Miscellaneous income (loss)	—	—
Total income (loss)	1,438	(1,132)
Expenses		
Management fees (note 8)	341	386
Other	35	40
Total expenses	376	426
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 1,062	\$ (1,558)

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year	\$ 13,506	\$ 17,647
Contractholder deposits	50	96
Contractholder withdrawals	(1,588)	(2,679)
Increase (decrease) in net assets from operations attributable to contractholders	1,062	(1,558)
Change in net assets attributable to contractholders	(476)	(4,141)
Net assets attributable to contractholders - end of year	\$ 13,030	\$ 13,506

Balanced Income Fund (Franklin Templeton) SF809

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 1,062	\$ (1,558)
Adjustments		
Realized (gains) losses	(738)	(1,205)
Unrealized (gains) losses	(700)	2,337
Gross proceeds of disposition of investments	1,918	3,111
Gross payments for the purchase of investments	(4)	(102)
	<u>1,538</u>	<u>2,583</u>
Financing Activities		
Contractholder deposits	50	96
Contractholder withdrawals	(1,588)	(2,679)
	<u>(1,538)</u>	<u>(2,583)</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	—	—
Cash, short-term deposits and overdrafts, beginning of year	—	—
Cash, short-term deposits and overdrafts, end of year	<u>\$ —</u>	<u>\$ —</u>

Balanced Income Fund (Franklin Templeton) SF809

Schedule of Investment Portfolio

(in Canadian \$ thousands)

As at December 31, 2023

	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units		
Canadian Equity Fund (Bissett) SF103	1,466	3,238
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
The Toronto-Dominion Bank	5.48%	
Royal Bank of Canada	5.21%	
Alimentation Couche-Tard Inc.	4.36%	
Canadian Pacific Kansas City Ltd.	4.25%	
Canadian National Railway Co.	4.11%	
Canadian Large Cap Equity Index Fund (GWLIM) SF503	525	1,080
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Royal Bank of Canada	7.63%	
The Toronto-Dominion Bank	6.42%	
Shopify Inc.	5.05%	
Enbridge Inc.	4.11%	
Canadian National Railway Co.	4.03%	
Fixed Income Fund (Templeton) SF516	4,661	5,849
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
PSP Capital Inc. 4.15% 06-01-2033	2.96%	
Province of Ontario 3.45% 06-02-2045	2.32%	
Canada Housing Trust No. 1 2.90% 06-15-2024	2.23%	
Province of Saskatchewan 5.60% 09-05-2035	2.22%	
Province of Quebec 5.75% 12-01-2036	2.18%	
Global Equity Fund (Templeton) SF509	1,088	2,154
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Rolls-Royce Holdings PLC	4.19%	
Alphabet Inc. Class A	3.76%	
Samsung Electronics Co. Ltd.	3.06%	
Cash and short-term deposits	2.88%	
Target Corp.	2.70%	
U.S. Equity Index Fund (GWLIM) SF512	234	709
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Apple Inc.	6.93%	
Microsoft Corp.	6.88%	
Amazon.com Inc.	3.40%	
NVIDIA Corp.	3.02%	
Alphabet Inc. Class A	2.04%	
Total Investments	7,974	13,030

Balanced Income Fund (Franklin Templeton) SF809

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Net Assets Attributable to Contractholders by Category

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
75/75 guarantee policy	143,467	152,049	167,726	184,512	200,246	2,538	2,482	3,021	3,095	3,230
75/100 guarantee policy	480,361	521,619	651,714	864,057	991,075	8,423	8,443	11,648	14,388	15,881
100/100 guarantee policy	25,883	28,094	29,897	33,366	40,699	442	444	522	544	640
PS1 75/75 guarantee policy	3,968	15,988	15,094	17,475	18,377	69	253	263	282	283
PS1 75/100 guarantee policy	89,797	117,881	124,976	147,979	191,601	1,544	1,860	2,165	2,374	2,941
PS1 100/100 guarantee policy	839	1,543	1,636	1,740	1,854	14	24	28	27	28
PS 75/100 guarantee policy	—	—	—	—	5,169	—	—	—	—	54

Net Assets Attributable to Contractholders Per Unit (note 7)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
75/75 guarantee policy	17.69	16.32	18.01	16.77	16.13	1.37	(1.69)
75/100 guarantee policy	17.54	16.19	17.87	16.65	16.02	1.35	(1.68)
100/100 guarantee policy	17.09	15.80	17.47	16.31	15.72	1.29	(1.67)
PS1 75/75 guarantee policy	17.30	15.87	17.41	16.12	15.41	1.43	(1.54)
PS1 75/100 guarantee policy	17.19	15.78	17.32	16.05	15.35	1.41	(1.54)
PS1 100/100 guarantee policy	16.86	15.50	17.04	15.81	15.15	1.36	(1.54)
PS 75/100 guarantee policy	—	—	—	—	10.51	—	—

Balanced Income Fund (Franklin Templeton) SF809

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Balanced Income Fund (Franklin Templeton) SF809 (the Fund) is offered by The Canada Life Assurance Company (Canada Life or the Company).

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

Balanced Income Fund (Franklin Templeton) SF809

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

Balanced Income Fund (Franklin Templeton) SF809

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in note 9 on Financial Instrument Risk Management.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

Balanced Income Fund (Franklin Templeton) SF809

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Investment Fund Units

Investment fund units are recorded at fair value, which is the closing net asset value (NAV) per unit of the underlying fund.

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Balanced Income Fund (Franklin Templeton) SF809

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

Balanced Income Fund (Franklin Templeton) SF809

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

k) Income Allocation

Net gain (loss) on investments, which includes realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the NAV per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

3. INVESTMENT FUND UNITS

Investment fund units of the Fund invest solely in units of other segregated investment funds of Canada Life. Units are valued based on the closing unit values of the underlying funds.

Investment activity of the underlying fund indirectly exposes the Fund to financial risk. See note 9 on Financial Instrument Risk Management.

Balanced Income Fund (Franklin Templeton) SF809

Notes to the Financial Statements

(in Canadian \$ thousands)

4. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Emperor,
- Flex,
- Generations/Mosaic,
- Generations I,
- Generations II,
- Generations Core,
- Prestige/Prestige Plus, and
- Private Collections.

In addition to the Individual units, units are available for:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

The categories of units are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

Balanced Income Fund (Franklin Templeton) SF809

Notes to the Financial Statements

(in Canadian \$ thousands)

5. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

6. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

7. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

Balanced Income Fund (Franklin Templeton) SF809

Notes to the Financial Statements

(in Canadian \$ thousands)

8. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.
- c) The Fund invests in assets or underlying funds managed by Canada Life Investment Management Ltd. All investment transactions with the corresponding underlying funds are at quoted market prices.

Balanced Income Fund (Franklin Templeton) SF809

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT

a) Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023. The following sections describe the significant risks that are relevant to the Fund.

The Fund employs a passive investment strategy whereby investments in underlying funds are based on target asset weightings. The target weightings allocated to each underlying fund and the selection of underlying funds are based on several factors, including impact to the Fund's volatility and asset class diversification. Significant changes to the selection of underlying funds or the target asset weightings attributed to each underlying fund require contractholder notification. To assist with managing risk, the Fund Manager also maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and other regulations. Financial statements for the underlying funds, which include discussions about their respective risk exposure, are available upon request.

b) Liquidity Risk

Liquidity risk arises when a Fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units. As the Fund primarily invests all of its net assets in the underlying funds, liquidity risk is mitigated by the underlying funds' ability to meet the obligation to fund daily cash redemptions of their redeemable units/shares. In addition, the underlying funds retain sufficient cash and cash equivalent positions to maintain adequate liquidity.

c) Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The Fund's investments in all underlying funds are denominated in Canadian dollars. However, the Fund is indirectly exposed to currency risk to the extent that the investments of the underlying funds are denominated or traded in a foreign currency.

d) Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund does not directly hold any interest-bearing financial instruments. The Fund is indirectly exposed to the risk that the value of interest-bearing financial instruments held by the underlying funds will fluctuate due to changes in the prevailing levels of market interest rates.

e) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund has no direct exposure to credit risk. The greatest indirect concentration of credit risk is in debt securities, such as bonds, held by underlying funds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer. The carrying amount of debt investments represents the maximum credit risk exposure as at December 31, 2023.

f) Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. For the instruments held by the Fund, maximum risk of loss is equivalent to their fair value. The Fund Manager moderates this risk through a careful selection of underlying funds within the parameters of the investment strategy.

Balanced Income Fund (Franklin Templeton) SF809

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT (continued)

g) Fair Value Classification

Investment Fund Units are recorded at fair value, which is the closing NAV per unit of the underlying fund. This valuation is considered to be a Level 2 classification.

Balanced Income Fund (Franklin Templeton) SF809

Supplemental Information *(unaudited)*

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾

For the years ended December 31	2023	2022	2021	2020	2019
75/75 guarantee policy	2.89	2.89	2.89	2.89	2.89
75/100 guarantee policy	2.95	2.95	2.95	2.94	2.95
100/100 guarantee policy	3.11	3.11	3.11	3.11	3.11
PS1 75/75 guarantee policy	2.31	2.31	2.31	2.31	2.30
PS1 75/100 guarantee policy	2.37	2.37	2.37	2.37	2.37
PS1 100/100 guarantee policy	2.53	2.53	2.53	2.53	2.53
PS 75/100 guarantee policy	—	—	—	—	1.84

Portfolio Turnover Rate (%) ⁽²⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	0.02	0.69	0.52	5.54	5.70

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
MODERATE GROWTH FUND (FRANKLIN TEMPLETON) SF810

December 31, 2023

Independent Auditor's Report

To the Contractholders of Moderate Growth Fund (Franklin Templeton) SF810 (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

Moderate Growth Fund (Franklin Templeton) SF810

(in Canadian \$ thousands)

Fund Manager: Portfolio Solutions Group, a division of Canada Life Investment Management Ltd.

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ —	\$ —
Investment income due and accrued	—	—
Due from The Canada Life Assurance Company (note 8)	—	—
Due from brokers	—	—
Due from outside parties	—	—
Investments		
Investment fund units (note 3)	5,807	6,432
Total investments	5,807	6,432
Total assets	\$ 5,807	\$ 6,432
Liabilities		
Overdrafts	\$ —	\$ —
Due to The Canada Life Assurance Company (note 8)	—	—
Due to brokers	—	—
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	—	—
Net assets attributable to contractholders	\$ 5,807	\$ 6,432

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 630	\$ (594)
Miscellaneous income (loss)	—	—
Total income (loss)	630	(594)
Expenses		
Management fees (note 8)	150	176
Other	15	17
Total expenses	165	193
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 465	\$ (787)

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year	\$ 6,432	\$ 7,891
Contractholder deposits	5	15
Contractholder withdrawals	(1,095)	(687)
Increase (decrease) in net assets from operations attributable to contractholders	465	(787)
Change in net assets attributable to contractholders	(625)	(1,459)
Net assets attributable to contractholders - end of year	\$ 5,807	\$ 6,432

Moderate Growth Fund (Franklin Templeton) SF810

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 465	\$ (787)
Adjustments		
Realized (gains) losses	(457)	(340)
Unrealized (gains) losses	(173)	934
Gross proceeds of disposition of investments	1,263	868
Gross payments for the purchase of investments	(8)	(3)
	<u>1,090</u>	<u>672</u>
Financing Activities		
Contractholder deposits	5	15
Contractholder withdrawals	(1,095)	(687)
	<u>(1,090)</u>	<u>(672)</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	—	—
Cash, short-term deposits and overdrafts, beginning of year	—	—
Cash, short-term deposits and overdrafts, end of year	<u>\$ —</u>	<u>\$ —</u>

Moderate Growth Fund (Franklin Templeton) SF810

Schedule of Investment Portfolio

(in Canadian \$ thousands)

As at December 31, 2023

	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units		
Canadian Equity Fund (Bissett) SF103	520	1,180
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
The Toronto-Dominion Bank	5.48%	
Royal Bank of Canada	5.21%	
Alimentation Couche-Tard Inc.	4.36%	
Canadian Pacific Kansas City Ltd.	4.25%	
Canadian National Railway Co.	4.11%	
Canadian Large Cap Equity Index Fund (GWLIM) SF503	188	394
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Royal Bank of Canada	7.63%	
The Toronto-Dominion Bank	6.42%	
Shopify Inc.	5.05%	
Enbridge Inc.	4.11%	
Canadian National Railway Co.	4.03%	
Fixed Income Fund (Templeton) SF516	2,482	3,193
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
PSP Capital Inc. 4.15% 06-01-2033	2.96%	
Province of Ontario 3.45% 06-02-2045	2.32%	
Canada Housing Trust No. 1 2.90% 06-15-2024	2.23%	
Province of Saskatchewan 5.60% 09-05-2035	2.22%	
Province of Quebec 5.75% 12-01-2036	2.18%	
Global Equity Fund (Templeton) SF509	386	783
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Rolls-Royce Holdings PLC	4.19%	
Alphabet Inc. Class A	3.76%	
Samsung Electronics Co. Ltd.	3.06%	
Cash and short-term deposits	2.88%	
Target Corp.	2.70%	
U.S. Equity Index Fund (GWLIM) SF512	79	257
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Apple Inc.	6.93%	
Microsoft Corp.	6.88%	
Amazon.com Inc.	3.40%	
NVIDIA Corp.	3.02%	
Alphabet Inc. Class A	2.04%	
Total Investments	3,655	5,807

Moderate Growth Fund (Franklin Templeton) SF810

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Net Assets Attributable to Contractholders by Category

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
75/75 guarantee policy	48,343	54,716	56,538	60,913	68,036	793	832	958	981	1,047
75/100 guarantee policy	251,374	302,807	353,351	415,435	462,622	4,101	4,582	5,957	6,659	7,089
100/100 guarantee policy	7,389	12,404	15,899	23,734	31,154	118	184	263	374	470
PS1 75/75 guarantee policy	98	98	98	98	98	2	1	2	1	1
PS1 75/100 guarantee policy	47,259	54,610	41,647	40,821	55,724	754	803	678	628	815
PS1 100/100 guarantee policy	2,519	2,043	2,043	2,043	66	39	30	33	31	1

Net Assets Attributable to Contractholders Per Unit (note 7)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
75/75 guarantee policy	16.41	15.21	16.94	16.10	15.38	1.20	(1.73)
75/100 guarantee policy	16.31	15.13	16.86	16.03	15.32	1.18	(1.73)
100/100 guarantee policy	15.94	14.81	16.53	15.74	15.07	1.13	(1.72)
PS1 75/75 guarantee policy	16.00	14.76	16.35	15.45	14.69	1.24	(1.59)
PS1 75/100 guarantee policy	15.95	14.70	16.29	15.39	14.63	1.25	(1.59)
PS1 100/100 guarantee policy	15.66	14.47	16.05	15.19	14.45	1.19	(1.58)

Moderate Growth Fund (Franklin Templeton) SF810

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Moderate Growth Fund (Franklin Templeton) SF810 (the Fund) is offered by The Canada Life Assurance Company (Canada Life or the Company).

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

Moderate Growth Fund (Franklin Templeton) SF810

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

Moderate Growth Fund (Franklin Templeton) SF810

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in note 9 on Financial Instrument Risk Management.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

Moderate Growth Fund (Franklin Templeton) SF810

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Investment Fund Units

Investment fund units are recorded at fair value, which is the closing net asset value (NAV) per unit of the underlying fund.

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Moderate Growth Fund (Franklin Templeton) SF810

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

Moderate Growth Fund (Franklin Templeton) SF810

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

k) Income Allocation

Net gain (loss) on investments, which includes realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the NAV per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

3. INVESTMENT FUND UNITS

Investment fund units of the Fund invest solely in units of other segregated investment funds of Canada Life. Units are valued based on the closing unit values of the underlying funds.

Investment activity of the underlying fund indirectly exposes the Fund to financial risk. See note 9 on Financial Instrument Risk Management.

Moderate Growth Fund (Franklin Templeton) SF810

Notes to the Financial Statements

(in Canadian \$ thousands)

4. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Emperor,
- Flex,
- Generations/Mosaic,
- Generations I,
- Generations II,
- Generations Core,
- Prestige/Prestige Plus, and
- Private Collections.

In addition to the Individual units, units are available for:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

The categories of units are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

Moderate Growth Fund (Franklin Templeton) SF810

Notes to the Financial Statements

(in Canadian \$ thousands)

5. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

6. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

7. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

Moderate Growth Fund (Franklin Templeton) SF810

Notes to the Financial Statements

(in Canadian \$ thousands)

8. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.
- c) The Fund invests in assets or underlying funds managed by Canada Life Investment Management Ltd. All investment transactions with the corresponding underlying funds are at quoted market prices.

Moderate Growth Fund (Franklin Templeton) SF810

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT

a) Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023. The following sections describe the significant risks that are relevant to the Fund.

The Fund employs a passive investment strategy whereby investments in underlying funds are based on target asset weightings. The target weightings allocated to each underlying fund and the selection of underlying funds are based on several factors, including impact to the Fund's volatility and asset class diversification. Significant changes to the selection of underlying funds or the target asset weightings attributed to each underlying fund require contractholder notification. To assist with managing risk, the Fund Manager also maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and other regulations. Financial statements for the underlying funds, which include discussions about their respective risk exposure, are available upon request.

b) Liquidity Risk

Liquidity risk arises when a Fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units. As the Fund primarily invests all of its net assets in the underlying funds, liquidity risk is mitigated by the underlying funds' ability to meet the obligation to fund daily cash redemptions of their redeemable units/shares. In addition, the underlying funds retain sufficient cash and cash equivalent positions to maintain adequate liquidity.

c) Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The Fund's investments in all underlying funds are denominated in Canadian dollars. However, the Fund is indirectly exposed to currency risk to the extent that the investments of the underlying funds are denominated or traded in a foreign currency.

d) Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund does not directly hold any interest-bearing financial instruments. The Fund is indirectly exposed to the risk that the value of interest-bearing financial instruments held by the underlying funds will fluctuate due to changes in the prevailing levels of market interest rates.

e) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund has no direct exposure to credit risk. The greatest indirect concentration of credit risk is in debt securities, such as bonds, held by underlying funds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer. The carrying amount of debt investments represents the maximum credit risk exposure as at December 31, 2023.

f) Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. For the instruments held by the Fund, maximum risk of loss is equivalent to their fair value. The Fund Manager moderates this risk through a careful selection of underlying funds within the parameters of the investment strategy.

Moderate Growth Fund (Franklin Templeton) SF810

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT (continued)

g) Fair Value Classification

Investment Fund Units are recorded at fair value, which is the closing NAV per unit of the underlying fund. This valuation is considered to be a Level 2 classification.

Moderate Growth Fund (Franklin Templeton) SF810

Supplemental Information *(unaudited)*

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾

For the years ended December 31	2023	2022	2021	2020	2019
75/75 guarantee policy	2.78	2.78	2.78	2.78	2.78
75/100 guarantee policy	2.84	2.84	2.84	2.84	2.84
100/100 guarantee policy	2.99	3.00	3.00	2.99	2.99
PS1 75/75 guarantee policy	2.20	2.20	2.19	2.19	2.20
PS1 75/100 guarantee policy	2.25	2.24	2.25	2.25	2.25
PS1 100/100 guarantee policy	2.41	2.41	2.41	2.41	2.41

Portfolio Turnover Rate (%) ⁽²⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	0.12	0.05	0.07	3.88	3.98

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
MODERATE INCOME FUND (FRANKLIN TEMPLETON) SF811

December 31, 2023

Independent Auditor's Report

To the Contractholders of Moderate Income Fund (Franklin Templeton) SF811 (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

Moderate Income Fund (Franklin Templeton) SF811

(in Canadian \$ thousands)

Fund Manager: Portfolio Solutions Group, a division of Canada Life Investment Management Ltd.

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ —	\$ —
Investment income due and accrued	—	—
Due from The Canada Life Assurance Company (note 8)	—	—
Due from brokers	—	—
Due from outside parties	—	—
Investments		
Investment fund units (note 3)	4,450	4,544
Total investments	4,450	4,544
Total assets	\$ 4,450	\$ 4,544
Liabilities		
Overdrafts	\$ —	\$ —
Due to The Canada Life Assurance Company (note 8)	—	—
Due to brokers	—	—
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	—	—
Net assets attributable to contractholders	\$ 4,450	\$ 4,544

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 437	\$ (467)
Miscellaneous income (loss)	—	—
Total income (loss)	437	(467)
Expenses		
Management fees (note 8)	103	112
Other	10	11
Total expenses	113	123
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 324	\$ (590)

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year	\$ 4,544	\$ 5,647
Contractholder deposits	4	4
Contractholder withdrawals	(422)	(517)
Increase (decrease) in net assets from operations attributable to contractholders	324	(590)
Change in net assets attributable to contractholders	(94)	(1,103)
Net assets attributable to contractholders - end of year	\$ 4,450	\$ 4,544

Moderate Income Fund (Franklin Templeton) SF811

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 324	\$ (590)
Adjustments		
Realized (gains) losses	(160)	(233)
Unrealized (gains) losses	(277)	700
Gross proceeds of disposition of investments	532	706
Gross payments for the purchase of investments	(1)	(70)
	<u>418</u>	<u>513</u>
Financing Activities		
Contractholder deposits	4	4
Contractholder withdrawals	(422)	(517)
	<u>(418)</u>	<u>(513)</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	—	—
Cash, short-term deposits and overdrafts, beginning of year	—	—
Cash, short-term deposits and overdrafts, end of year	<u>\$ —</u>	<u>\$ —</u>

Moderate Income Fund (Franklin Templeton) SF811

Schedule of Investment Portfolio

(in Canadian \$ thousands)

As at December 31, 2023

	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units		
Canadian Equity Fund (Bissett) SF103	336	704
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
The Toronto-Dominion Bank	5.48%	
Royal Bank of Canada	5.21%	
Alimentation Couche-Tard Inc.	4.36%	
Canadian Pacific Kansas City Ltd.	4.25%	
Canadian National Railway Co.	4.11%	
Canadian Large Cap Equity Index Fund (GWLIM) SF503	119	235
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Royal Bank of Canada	7.63%	
The Toronto-Dominion Bank	6.42%	
Shopify Inc.	5.05%	
Enbridge Inc.	4.11%	
Canadian National Railway Co.	4.03%	
Fixed Income Fund (Templeton) SF516	2,319	2,887
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
PSP Capital Inc. 4.15% 06-01-2033	2.96%	
Province of Ontario 3.45% 06-02-2045	2.32%	
Canada Housing Trust No. 1 2.90% 06-15-2024	2.23%	
Province of Saskatchewan 5.60% 09-05-2035	2.22%	
Province of Quebec 5.75% 12-01-2036	2.18%	
Global Equity Fund (Templeton) SF509	252	469
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Rolls-Royce Holdings PLC	4.19%	
Alphabet Inc. Class A	3.76%	
Samsung Electronics Co. Ltd.	3.06%	
Cash and short-term deposits	2.88%	
Target Corp.	2.70%	
U.S. Equity Index Fund (GWLIM) SF512	58	155
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Apple Inc.	6.93%	
Microsoft Corp.	6.88%	
Amazon.com Inc.	3.40%	
NVIDIA Corp.	3.02%	
Alphabet Inc. Class A	2.04%	
Total Investments	3,084	4,450

Moderate Income Fund (Franklin Templeton) SF811

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Net Assets Attributable to Contractholders by Category

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
75/75 guarantee policy	34,216	37,888	54,120	64,561	70,698	521	537	862	998	1,035
75/100 guarantee policy	156,828	177,625	190,741	243,844	322,433	2,369	2,502	3,021	3,749	4,697
100/100 guarantee policy	3,668	4,826	5,135	5,510	5,913	54	67	80	83	85
PS1 75/75 guarantee policy	10,068	10,647	11,311	11,937	12,605	150	146	174	177	176
PS1 75/100 guarantee policy	91,750	94,287	96,833	124,148	180,469	1,356	1,292	1,483	1,835	2,512
PS1 100/100 guarantee policy	—	—	1,767	1,767	1,767	—	—	27	26	24

Net Assets Attributable to Contractholders Per Unit (note 7)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
75/75 guarantee policy	15.22	14.18	15.94	15.46	14.64	1.04	(1.76)
75/100 guarantee policy	15.11	14.09	15.84	15.38	14.57	1.02	(1.75)
100/100 guarantee policy	14.80	13.82	15.56	15.13	14.35	0.98	(1.74)
PS1 75/75 guarantee policy	14.85	13.76	15.38	14.83	13.96	1.09	(1.62)
PS1 75/100 guarantee policy	14.78	13.70	15.32	14.78	13.92	1.08	(1.62)
PS1 100/100 guarantee policy	—	—	15.05	14.55	13.73	—	—

Moderate Income Fund (Franklin Templeton) SF811

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Moderate Income Fund (Franklin Templeton) SF811 (the Fund) is offered by The Canada Life Assurance Company (Canada Life or the Company).

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

Moderate Income Fund (Franklin Templeton) SF811

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

Moderate Income Fund (Franklin Templeton) SF811

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in note 9 on Financial Instrument Risk Management.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

Moderate Income Fund (Franklin Templeton) SF811

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Investment Fund Units

Investment fund units are recorded at fair value, which is the closing net asset value (NAV) per unit of the underlying fund.

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Moderate Income Fund (Franklin Templeton) SF811

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

Moderate Income Fund (Franklin Templeton) SF811

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

k) Income Allocation

Net gain (loss) on investments, which includes realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the NAV per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

3. INVESTMENT FUND UNITS

Investment fund units of the Fund invest solely in units of other segregated investment funds of Canada Life. Units are valued based on the closing unit values of the underlying funds.

Investment activity of the underlying fund indirectly exposes the Fund to financial risk. See note 9 on Financial Instrument Risk Management.

Moderate Income Fund (Franklin Templeton) SF811

Notes to the Financial Statements

(in Canadian \$ thousands)

4. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Emperor,
- Flex,
- Generations/Mosaic,
- Generations I,
- Generations II,
- Generations Core,
- Prestige/Prestige Plus, and
- Private Collections.

In addition to the Individual units, units are available for:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

The categories of units are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

Moderate Income Fund (Franklin Templeton) SF811

Notes to the Financial Statements

(in Canadian \$ thousands)

5. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

6. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

7. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

Moderate Income Fund (Franklin Templeton) SF811

Notes to the Financial Statements

(in Canadian \$ thousands)

8. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.
- c) The Fund invests in assets or underlying funds managed by Canada Life Investment Management Ltd. All investment transactions with the corresponding underlying funds are at quoted market prices.

Moderate Income Fund (Franklin Templeton) SF811

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT

a) Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023. The following sections describe the significant risks that are relevant to the Fund.

The Fund employs a passive investment strategy whereby investments in underlying funds are based on target asset weightings. The target weightings allocated to each underlying fund and the selection of underlying funds are based on several factors, including impact to the Fund's volatility and asset class diversification. Significant changes to the selection of underlying funds or the target asset weightings attributed to each underlying fund require contractholder notification. To assist with managing risk, the Fund Manager also maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and other regulations. Financial statements for the underlying funds, which include discussions about their respective risk exposure, are available upon request.

b) Liquidity Risk

Liquidity risk arises when a Fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units. As the Fund primarily invests all of its net assets in the underlying funds, liquidity risk is mitigated by the underlying funds' ability to meet the obligation to fund daily cash redemptions of their redeemable units/shares. In addition, the underlying funds retain sufficient cash and cash equivalent positions to maintain adequate liquidity.

c) Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The Fund's investments in all underlying funds are denominated in Canadian dollars. However, the Fund is indirectly exposed to currency risk to the extent that the investments of the underlying funds are denominated or traded in a foreign currency.

d) Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund does not directly hold any interest-bearing financial instruments. The Fund is indirectly exposed to the risk that the value of interest-bearing financial instruments held by the underlying funds will fluctuate due to changes in the prevailing levels of market interest rates.

e) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund has no direct exposure to credit risk. The greatest indirect concentration of credit risk is in debt securities, such as bonds, held by underlying funds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer. The carrying amount of debt investments represents the maximum credit risk exposure as at December 31, 2023.

f) Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. For the instruments held by the Fund, maximum risk of loss is equivalent to their fair value. The Fund Manager moderates this risk through a careful selection of underlying funds within the parameters of the investment strategy.

Moderate Income Fund (Franklin Templeton) SF811

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT (continued)

g) Fair Value Classification

Investment Fund Units are recorded at fair value, which is the closing NAV per unit of the underlying fund. This valuation is considered to be a Level 2 classification.

Moderate Income Fund (Franklin Templeton) SF811

Supplemental Information *(unaudited)*

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾

For the years ended December 31	2023	2022	2021	2020	2019
75/75 guarantee policy	2.67	2.68	2.68	2.68	2.69
75/100 guarantee policy	2.73	2.73	2.73	2.74	2.74
100/100 guarantee policy	2.88	2.88	2.89	2.89	2.90
PS1 75/75 guarantee policy	2.08	2.08	2.09	2.09	2.10
PS1 75/100 guarantee policy	2.14	2.14	2.15	2.15	2.15
PS1 100/100 guarantee policy	—	—	2.31	2.31	2.32

Portfolio Turnover Rate (%) ⁽²⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	0.01	1.42	0.45	7.01	10.29

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
BALANCED FUND (MACKENZIE) SF812

December 31, 2023

Independent Auditor's Report

To the Contractholders of Balanced Fund (Mackenzie) SF812 (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

Balanced Fund (Mackenzie) SF812

(in Canadian \$ thousands)

Fund Manager: Portfolio Solutions Group, a division of Canada Life Investment Management Ltd.

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ —	\$ —
Investment income due and accrued	—	—
Due from The Canada Life Assurance Company (note 8)	—	—
Due from brokers	—	—
Due from outside parties	—	—
Investments		
Investment fund units (note 3)	24,443	25,429
Total investments	24,443	25,429
Total assets	\$ 24,443	\$ 25,429
Liabilities		
Overdrafts	\$ —	\$ —
Due to The Canada Life Assurance Company (note 8)	—	—
Due to brokers	—	—
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	—	—
Net assets attributable to contractholders	\$ 24,443	\$ 25,429

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 2,571	\$ (2,059)
Miscellaneous income (loss)	—	—
Total income (loss)	2,571	(2,059)
Expenses		
Management fees (note 8)	683	759
Other	75	83
Total expenses	758	842
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 1,813	\$ (2,901)

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year	\$ 25,429	\$ 31,131
Contractholder deposits	28	58
Contractholder withdrawals	(2,827)	(2,859)
Increase (decrease) in net assets from operations attributable to contractholders	1,813	(2,901)
Change in net assets attributable to contractholders	(986)	(5,702)
Net assets attributable to contractholders - end of year	\$ 24,443	\$ 25,429

Balanced Fund (Mackenzie) SF812

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 1,813	\$ (2,901)
Adjustments		
Realized (gains) losses	(1,569)	(1,611)
Unrealized (gains) losses	(1,002)	3,670
Gross proceeds of disposition of investments	3,558	3,769
Gross payments for the purchase of investments	(1)	(126)
	<u>2,799</u>	<u>2,801</u>
Financing Activities		
Contractholder deposits	28	58
Contractholder withdrawals	(2,827)	(2,859)
	<u>(2,799)</u>	<u>(2,801)</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	—	—
Cash, short-term deposits and overdrafts, beginning of year	—	—
Cash, short-term deposits and overdrafts, end of year	<u>\$ —</u>	<u>\$ —</u>

Balanced Fund (Mackenzie) SF812

Schedule of Investment Portfolio

(in Canadian \$ thousands)

As at December 31, 2023

	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units		
Bond Fund (Mackenzie) SF501	7,559	9,752
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Province of Ontario 3.65% 06-02-2033	8.04%	
Cash and short-term deposits	6.33%	
Government of Canada 2.75% 06-01-2033	4.92%	
Province of Quebec 4.40% 12-01-2055	3.55%	
United States Treasury Inflation Index 0.50% 04-15-2024 Real Return	2.64%	
Canadian Growth Fund (Mackenzie) SF518	2,769	6,635
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Royal Bank of Canada	6.77%	
The Toronto-Dominion Bank	6.06%	
Mackenzie US Large Cap Index ETF *	4.63%	
Canadian Natural Resources Ltd.	3.93%	
Bank of Montreal	3.92%	
Canadian Large Cap Equity Index Fund (GWLIM) SF503	992	2,211
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Royal Bank of Canada	7.63%	
The Toronto-Dominion Bank	6.42%	
Shopify Inc.	5.05%	
Enbridge Inc.	4.11%	
Canadian National Railway Co.	4.03%	
Global Value Fund (Mackenzie) SF514	1,271	2,204
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Renesas Electronics Corp.	3.94%	
SNC-Lavalin Group Inc.	3.90%	
Oracle Corp.	3.77%	
UBS Group AG	3.70%	
Salesforce Inc.	3.33%	
Ivy Foreign Equity Fund (Mackenzie) SF359	861	2,180
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Cash and short-term deposits	7.63%	
Danaher Corp.	4.28%	
Colgate Palmolive Co.	3.60%	
Alphabet Inc. Class A	3.15%	
Brookfield Corp.	3.12%	

*The issuer of this security is a related company to the issuer of the Fund.

Balanced Fund (Mackenzie) SF812

Schedule of Investment Portfolio

(in Canadian \$ thousands)

As at December 31, 2023

	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units (continued)		
U.S. Equity Index Fund (GWLIM) SF512	398	1,461
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Apple Inc.	6.93%	
Microsoft Corp.	6.88%	
Amazon.com Inc.	3.40%	
NVIDIA Corp.	3.02%	
Alphabet Inc. Class A	2.04%	
Total Investments	13,850	24,443

Balanced Fund (Mackenzie) SF812

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Net Assets Attributable to Contractholders by Category

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
75/75 guarantee policy	188,271	203,261	221,275	270,472	298,934	3,213	3,223	3,877	4,331	4,490
75/100 guarantee policy	1,101,729	1,243,682	1,388,252	1,549,842	1,747,300	18,657	19,585	24,164	24,671	26,108
100/100 guarantee policy	24,460	25,061	25,266	28,366	33,993	404	386	431	443	499
PS1 75/75 guarantee policy	29,314	42,671	43,470	16,440	16,665	498	670	750	258	243
PS1 75/100 guarantee policy	79,845	79,249	89,487	92,840	91,443	1,348	1,237	1,535	1,448	1,331
PS2 75/100 guarantee policy	13,732	15,385	16,293	26,373	26,701	312	315	357	512	472
PS 75/75 guarantee policy	751	844	938	1,027	1,126	9	10	12	12	12
PS 75/100 guarantee policy	172	289	408	525	659	2	3	5	6	7

Net Assets Attributable to Contractholders Per Unit (note 7)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
75/75 guarantee policy	17.06	15.86	17.52	16.01	15.02	1.20	(1.66)
75/100 guarantee policy	16.93	15.75	17.41	15.92	14.94	1.18	(1.66)
100/100 guarantee policy	16.53	15.39	17.04	15.61	14.67	1.14	(1.65)
PS1 75/75 guarantee policy	16.99	15.70	17.25	15.67	14.62	1.29	(1.55)
PS1 75/100 guarantee policy	16.88	15.61	17.16	15.60	14.56	1.27	(1.55)
PS2 75/100 guarantee policy	22.72	20.48	21.93	19.44	17.68	2.24	(1.45)
PS 75/75 guarantee policy	12.50	11.49	12.55	11.35	10.53	1.01	(1.06)
PS 75/100 guarantee policy	12.47	11.46	12.53	11.34	10.52	1.01	(1.07)

Balanced Fund (Mackenzie) SF812

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Balanced Fund (Mackenzie) SF812 (the Fund) is offered by The Canada Life Assurance Company (Canada Life or the Company).

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

Balanced Fund (Mackenzie) SF812

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

Balanced Fund (Mackenzie) SF812

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in note 9 on Financial Instrument Risk Management.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

Balanced Fund (Mackenzie) SF812

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Investment Fund Units

Investment fund units are recorded at fair value, which is the closing net asset value (NAV) per unit of the underlying fund.

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Balanced Fund (Mackenzie) SF812

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

Balanced Fund (Mackenzie) SF812

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

k) Income Allocation

Net gain (loss) on investments, which includes realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the NAV per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

3. INVESTMENT FUND UNITS

Investment fund units of the Fund invest solely in units of other segregated investment funds of Canada Life. Units are valued based on the closing unit values of the underlying funds.

Investment activity of the underlying fund indirectly exposes the Fund to financial risk. See note 9 on Financial Instrument Risk Management.

Balanced Fund (Mackenzie) SF812

Notes to the Financial Statements

(in Canadian \$ thousands)

4. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Emperor,
- Flex,
- Generations/Mosaic,
- Generations I,
- Generations II,
- Generations Core,
- Prestige/Prestige Plus, and
- Private Collections.

In addition to the Individual units, units are available for:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

The categories of units are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

Balanced Fund (Mackenzie) SF812

Notes to the Financial Statements

(in Canadian \$ thousands)

5. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

6. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

7. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

Balanced Fund (Mackenzie) SF812

Notes to the Financial Statements

(in Canadian \$ thousands)

8. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.
- c) The Fund invests in assets or underlying funds managed by Canada Life Investment Management Ltd. All investment transactions with the corresponding underlying funds are at quoted market prices.

Balanced Fund (Mackenzie) SF812

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT

a) Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023. The following sections describe the significant risks that are relevant to the Fund.

The Fund employs a passive investment strategy whereby investments in underlying funds are based on target asset weightings. The target weightings allocated to each underlying fund and the selection of underlying funds are based on several factors, including impact to the Fund's volatility and asset class diversification. Significant changes to the selection of underlying funds or the target asset weightings attributed to each underlying fund require contractholder notification. To assist with managing risk, the Fund Manager also maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and other regulations. Financial statements for the underlying funds, which include discussions about their respective risk exposure, are available upon request.

b) Liquidity Risk

Liquidity risk arises when a Fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units. As the Fund primarily invests all of its net assets in the underlying funds, liquidity risk is mitigated by the underlying funds' ability to meet the obligation to fund daily cash redemptions of their redeemable units/shares. In addition, the underlying funds retain sufficient cash and cash equivalent positions to maintain adequate liquidity.

c) Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The Fund's investments in all underlying funds are denominated in Canadian dollars. However, the Fund is indirectly exposed to currency risk to the extent that the investments of the underlying funds are denominated or traded in a foreign currency.

d) Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund does not directly hold any interest-bearing financial instruments. The Fund is indirectly exposed to the risk that the value of interest-bearing financial instruments held by the underlying funds will fluctuate due to changes in the prevailing levels of market interest rates.

e) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund has no direct exposure to credit risk. The greatest indirect concentration of credit risk is in debt securities, such as bonds, held by underlying funds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer. The carrying amount of debt investments represents the maximum credit risk exposure as at December 31, 2023.

f) Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. For the instruments held by the Fund, maximum risk of loss is equivalent to their fair value. The Fund Manager moderates this risk through a careful selection of underlying funds within the parameters of the investment strategy.

Balanced Fund (Mackenzie) SF812

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT (continued)

g) Fair Value Classification

Investment Fund Units are recorded at fair value, which is the closing NAV per unit of the underlying fund. This valuation is considered to be a Level 2 classification.

Balanced Fund (Mackenzie) SF812

Supplemental Information (unaudited)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾

For the years ended December 31	2023	2022	2021	2020	2019
75/75 guarantee policy	3.09	3.10	3.10	3.09	3.09
75/100 guarantee policy	3.14	3.15	3.15	3.15	3.15
100/100 guarantee policy	3.30	3.30	3.31	3.31	3.30
PS1 75/75 guarantee policy	2.52	2.52	2.51	2.50	2.49
PS1 75/100 guarantee policy	2.57	2.58	2.58	2.55	2.55
PS 75/75 guarantee policy	1.97	2.00	2.00	1.99	1.99
PS 75/100 guarantee policy	2.04	2.05	2.05	2.04	2.03

Unsubsidized Management Expense Ratio (%) ⁽²⁾

For the years ended December 31	2023	2022	2021	2020	2019
PS1 75/75 guarantee policy	2.52	2.52	2.51	2.53	2.51
PS1 75/100 guarantee policy	2.57	2.58	2.58	2.58	2.57

Portfolio Turnover Rate (%) ⁽³⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	—	0.45	2.02	8.60	5.33

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The Company has waived a portion of the fees for the Preferred Series 1 and Preferred Partner Series guarantee policies. There is no obligation for the Company to continue waiving these fees and it may cease to do so at any time without notice.

(3) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
BALANCED INCOME FUND (MACKENZIE) SF813

December 31, 2023

Independent Auditor's Report

To the Contractholders of Balanced Income Fund (Mackenzie) SF813 (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

Balanced Income Fund (Mackenzie) SF813

(in Canadian \$ thousands)

Fund Manager: Portfolio Solutions Group, a division of Canada Life Investment Management Ltd.

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ —	\$ —
Investment income due and accrued	—	—
Due from The Canada Life Assurance Company (note 8)	—	—
Due from brokers	—	—
Due from outside parties	—	—
Investments		
Investment fund units (note 3)	16,779	17,286
Total investments	16,779	17,286
Total assets	\$ 16,779	\$ 17,286
Liabilities		
Overdrafts	\$ —	\$ —
Due to The Canada Life Assurance Company (note 8)	—	—
Due to brokers	—	—
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	—	—
Net assets attributable to contractholders	\$ 16,779	\$ 17,286

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 1,695	\$ (1,398)
Miscellaneous income (loss)	—	—
Total income (loss)	1,695	(1,398)
Expenses		
Management fees (note 8)	433	468
Other	50	53
Total expenses	483	521
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 1,212	\$ (1,919)

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year	\$ 17,286	\$ 21,567
Contractholder deposits	40	189
Contractholder withdrawals	(1,759)	(2,551)
Increase (decrease) in net assets from operations attributable to contractholders	1,212	(1,919)
Change in net assets attributable to contractholders	(507)	(4,281)
Net assets attributable to contractholders - end of year	\$ 16,779	\$ 17,286

Balanced Income Fund (Mackenzie) SF813

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 1,212	\$ (1,919)
Adjustments		
Realized (gains) losses	(854)	(1,386)
Unrealized (gains) losses	(841)	2,784
Gross proceeds of disposition of investments	2,218	3,554
Gross payments for the purchase of investments	(16)	(671)
	<u>1,719</u>	<u>2,362</u>
Financing Activities		
Contractholder deposits	40	189
Contractholder withdrawals	(1,759)	(2,551)
	<u>(1,719)</u>	<u>(2,362)</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	—	—
Cash, short-term deposits and overdrafts, beginning of year	—	—
Cash, short-term deposits and overdrafts, end of year	<u>\$ —</u>	<u>\$ —</u>

Balanced Income Fund (Mackenzie) SF813

Schedule of Investment Portfolio

(in Canadian \$ thousands)

As at December 31, 2023

	Average Cost	Fair Value
Investment Fund Units		
Bond Fund (Mackenzie) SF501	6,117	7,547
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Province of Ontario 3.65% 06-02-2033	8.04%	
Cash and short-term deposits	6.33%	
Government of Canada 2.75% 06-01-2033	4.92%	
Province of Quebec 4.40% 12-01-2055	3.55%	
United States Treasury Inflation Index 0.50% 04-15-2024 Real Return	2.64%	
Canadian Growth Fund (Mackenzie) SF518	1,810	4,172
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Royal Bank of Canada	6.77%	
The Toronto-Dominion Bank	6.06%	
Mackenzie US Large Cap Index ETF *	4.63%	
Canadian Natural Resources Ltd.	3.93%	
Bank of Montreal	3.92%	
Canadian Large Cap Equity Index Fund (GWLIM) SF503	660	1,390
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Royal Bank of Canada	7.63%	
The Toronto-Dominion Bank	6.42%	
Shopify Inc.	5.05%	
Enbridge Inc.	4.11%	
Canadian National Railway Co.	4.03%	
Global Value Fund (Mackenzie) SF514	855	1,388
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Renesas Electronics Corp.	3.94%	
SNC-Lavalin Group Inc.	3.90%	
Oracle Corp.	3.77%	
UBS Group AG	3.70%	
Salesforce Inc.	3.33%	
Ivy Foreign Equity Fund (Mackenzie) SF359	624	1,365
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Cash and short-term deposits	7.63%	
Danaher Corp.	4.28%	
Colgate Palmolive Co.	3.60%	
Alphabet Inc. Class A	3.15%	
Brookfield Corp.	3.12%	

*The issuer of this security is a related company to the issuer of the Fund.

Balanced Income Fund (Mackenzie) SF813

Schedule of Investment Portfolio

(in Canadian \$ thousands)

As at December 31, 2023

	Average Cost	Fair Value
Investment Fund Units (continued)		
U.S. Equity Index Fund (GWLIM) SF512	295	917
<u>Top 5 Holdings:</u>	<u>% of Total</u>	
Apple Inc.	6.93%	
Microsoft Corp.	6.88%	
Amazon.com Inc.	3.40%	
NVIDIA Corp.	3.02%	
Alphabet Inc. Class A	2.04%	
Total Investments	10,361	16,779

Balanced Income Fund (Mackenzie) SF813

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Net Assets Attributable to Contractholders by Category

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
75/75 guarantee policy	90,289	102,947	109,017	126,751	143,053	1,510	1,603	1,879	2,017	2,139
75/100 guarantee policy	722,144	806,788	863,451	992,699	1,217,576	12,001	12,491	14,809	15,727	18,125
100/100 guarantee policy	4,395	7,439	7,751	11,258	12,325	71	113	130	175	180
PS1 75/75 guarantee policy	9,661	14,640	16,338	14,161	24,886	160	224	276	219	360
PS1 75/100 guarantee policy	174,886	177,579	256,683	266,770	217,048	2,878	2,707	4,310	4,114	3,126
PS1 100/100 guarantee policy	9,870	9,870	9,870	9,870	9,870	159	148	163	150	141
PS 75/100 guarantee policy	—	—	—	83	294	—	—	—	1	3

Net Assets Attributable to Contractholders Per Unit (note 7)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
75/75 guarantee policy	16.72	15.57	17.24	15.92	14.95	1.15	(1.67)
75/100 guarantee policy	16.62	15.48	17.15	15.84	14.89	1.14	(1.67)
100/100 guarantee policy	16.21	15.12	16.78	15.53	14.62	1.09	(1.66)
PS1 75/75 guarantee policy	16.56	15.33	16.88	15.49	14.46	1.23	(1.55)
PS1 75/100 guarantee policy	16.46	15.24	16.79	15.42	14.40	1.22	(1.55)
PS1 100/100 guarantee policy	16.14	14.98	16.52	15.20	14.22	1.16	(1.54)
PS 75/100 guarantee policy	—	—	—	11.34	10.54	—	—

Balanced Income Fund (Mackenzie) SF813

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Balanced Income Fund (Mackenzie) SF813 (the Fund) is offered by The Canada Life Assurance Company (Canada Life or the Company).

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

Balanced Income Fund (Mackenzie) SF813

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

Balanced Income Fund (Mackenzie) SF813

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in note 9 on Financial Instrument Risk Management.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

Balanced Income Fund (Mackenzie) SF813

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Investment Fund Units

Investment fund units are recorded at fair value, which is the closing net asset value (NAV) per unit of the underlying fund.

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Balanced Income Fund (Mackenzie) SF813

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

Balanced Income Fund (Mackenzie) SF813

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

k) Income Allocation

Net gain (loss) on investments, which includes realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the NAV per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

3. INVESTMENT FUND UNITS

Investment fund units of the Fund invest solely in units of other segregated investment funds of Canada Life. Units are valued based on the closing unit values of the underlying funds.

Investment activity of the underlying fund indirectly exposes the Fund to financial risk. See note 9 on Financial Instrument Risk Management.

Balanced Income Fund (Mackenzie) SF813

Notes to the Financial Statements

(in Canadian \$ thousands)

4. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Emperor,
- Flex,
- Generations/Mosaic,
- Generations I,
- Generations II,
- Generations Core,
- Prestige/Prestige Plus, and
- Private Collections.

In addition to the Individual units, units are available for:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

The categories of units are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

Balanced Income Fund (Mackenzie) SF813

Notes to the Financial Statements

(in Canadian \$ thousands)

5. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

6. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

7. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

Balanced Income Fund (Mackenzie) SF813

Notes to the Financial Statements

(in Canadian \$ thousands)

8. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.
- c) The Fund invests in assets or underlying funds managed by Canada Life Investment Management Ltd. All investment transactions with the corresponding underlying funds are at quoted market prices.

Balanced Income Fund (Mackenzie) SF813

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT

a) Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023. The following sections describe the significant risks that are relevant to the Fund.

The Fund employs a passive investment strategy whereby investments in underlying funds are based on target asset weightings. The target weightings allocated to each underlying fund and the selection of underlying funds are based on several factors, including impact to the Fund's volatility and asset class diversification. Significant changes to the selection of underlying funds or the target asset weightings attributed to each underlying fund require contractholder notification. To assist with managing risk, the Fund Manager also maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and other regulations. Financial statements for the underlying funds, which include discussions about their respective risk exposure, are available upon request.

b) Liquidity Risk

Liquidity risk arises when a Fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units. As the Fund primarily invests all of its net assets in the underlying funds, liquidity risk is mitigated by the underlying funds' ability to meet the obligation to fund daily cash redemptions of their redeemable units/shares. In addition, the underlying funds retain sufficient cash and cash equivalent positions to maintain adequate liquidity.

c) Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The Fund's investments in all underlying funds are denominated in Canadian dollars. However, the Fund is indirectly exposed to currency risk to the extent that the investments of the underlying funds are denominated or traded in a foreign currency.

d) Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund does not directly hold any interest-bearing financial instruments. The Fund is indirectly exposed to the risk that the value of interest-bearing financial instruments held by the underlying funds will fluctuate due to changes in the prevailing levels of market interest rates.

e) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund has no direct exposure to credit risk. The greatest indirect concentration of credit risk is in debt securities, such as bonds, held by underlying funds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer. The carrying amount of debt investments represents the maximum credit risk exposure as at December 31, 2023.

f) Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. For the instruments held by the Fund, maximum risk of loss is equivalent to their fair value. The Fund Manager moderates this risk through a careful selection of underlying funds within the parameters of the investment strategy.

Balanced Income Fund (Mackenzie) SF813

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT (continued)

g) Fair Value Classification

Investment Fund Units are recorded at fair value, which is the closing NAV per unit of the underlying fund. This valuation is considered to be a Level 2 classification.

Balanced Income Fund (Mackenzie) SF813

Supplemental Information (unaudited)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾

For the years ended December 31	2023	2022	2021	2020	2019
75/75 guarantee policy	2.94	2.95	2.96	2.96	2.95
75/100 guarantee policy	2.99	3.00	3.00	3.00	2.99
100/100 guarantee policy	3.15	3.17	3.17	3.17	3.16
PS1 75/75 guarantee policy	2.36	2.37	2.36	2.35	2.34
PS1 75/100 guarantee policy	2.41	2.43	2.42	2.40	2.39
PS1 100/100 guarantee policy	2.58	2.59	2.59	2.57	2.56
PS 75/100 guarantee policy	—	—	—	1.89	1.89

Unsubsidized Management Expense Ratio (%) ⁽²⁾

For the years ended December 31	2023	2022	2021	2020	2019
PS1 75/75 guarantee policy	2.36	2.37	2.36	2.38	2.36
PS1 75/100 guarantee policy	2.41	2.43	2.42	2.43	2.41
PS1 100/100 guarantee policy	2.58	2.59	2.59	2.60	2.58

Portfolio Turnover Rate (%) ⁽³⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	0.09	3.66	2.80	10.12	3.15

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The Company has waived a portion of the fees for the Preferred Series 1 and Preferred Partner Series guarantee policies. There is no obligation for the Company to continue waiving these fees and it may cease to do so at any time without notice.

(3) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
MODERATE GROWTH FUND (MACKENZIE) SF814

December 31, 2023

Independent Auditor's Report

To the Contractholders of Moderate Growth Fund (Mackenzie) SF814 (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

Moderate Growth Fund (Mackenzie) SF814

(in Canadian \$ thousands)

Fund Manager: Portfolio Solutions Group, a division of Canada Life Investment Management Ltd.

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ —	\$ —
Investment income due and accrued	—	—
Due from The Canada Life Assurance Company (note 8)	—	—
Due from brokers	—	—
Due from outside parties	—	—
Investments		
Investment fund units (note 3)	12,154	13,530
Total investments	12,154	13,530
Total assets	\$ 12,154	\$ 13,530
Liabilities		
Overdrafts	\$ —	\$ —
Due to The Canada Life Assurance Company (note 8)	—	—
Due to brokers	—	—
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	—	—
Net assets attributable to contractholders	\$ 12,154	\$ 13,530

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 1,206	\$ (1,269)
Miscellaneous income (loss)	—	—
Total income (loss)	1,206	(1,269)
Expenses		
Management fees (note 8)	321	374
Other	34	40
Total expenses	355	414
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 851	\$ (1,683)

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year	\$ 13,530	\$ 17,211
Contractholder deposits	19	19
Contractholder withdrawals	(2,246)	(2,017)
Increase (decrease) in net assets from operations attributable to contractholders	851	(1,683)
Change in net assets attributable to contractholders	(1,376)	(3,681)
Net assets attributable to contractholders - end of year	\$ 12,154	\$ 13,530

Moderate Growth Fund (Mackenzie) SF814

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 851	\$ (1,683)
Adjustments		
Realized (gains) losses	(938)	(880)
Unrealized (gains) losses	(268)	2,149
Gross proceeds of disposition of investments	2,598	2,414
Gross payments for the purchase of investments	(16)	(2)
	<u>2,227</u>	<u>1,998</u>
Financing Activities		
Contractholder deposits	19	19
Contractholder withdrawals	(2,246)	(2,017)
	<u>(2,227)</u>	<u>(1,998)</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	—	—
Cash, short-term deposits and overdrafts, beginning of year	—	—
Cash, short-term deposits and overdrafts, end of year	<u>\$ —</u>	<u>\$ —</u>

Moderate Growth Fund (Mackenzie) SF814

Schedule of Investment Portfolio

(in Canadian \$ thousands)

As at December 31, 2023

	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units		
Bond Fund (Mackenzie) SF501	5,144	6,671
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Province of Ontario 3.65% 06-02-2033	8.04%	
Cash and short-term deposits	6.33%	
Government of Canada 2.75% 06-01-2033	4.92%	
Province of Quebec 4.40% 12-01-2055	3.55%	
United States Treasury Inflation Index 0.50% 04-15-2024 Real Return	2.64%	
Canadian Growth Fund (Mackenzie) SF518	1,081	2,473
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Royal Bank of Canada	6.77%	
The Toronto-Dominion Bank	6.06%	
Mackenzie US Large Cap Index ETF *	4.63%	
Canadian Natural Resources Ltd.	3.93%	
Bank of Montreal	3.92%	
Canadian Large Cap Equity Index Fund (GWLIM) SF503	390	824
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Royal Bank of Canada	7.63%	
The Toronto-Dominion Bank	6.42%	
Shopify Inc.	5.05%	
Enbridge Inc.	4.11%	
Canadian National Railway Co.	4.03%	
Global Value Fund (Mackenzie) SF514	508	822
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Renesas Electronics Corp.	3.94%	
SNC-Lavalin Group Inc.	3.90%	
Oracle Corp.	3.77%	
UBS Group AG	3.70%	
Salesforce Inc.	3.33%	
Ivy Foreign Equity Fund (Mackenzie) SF359	360	818
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Cash and short-term deposits	7.63%	
Danaher Corp.	4.28%	
Colgate Palmolive Co.	3.60%	
Alphabet Inc. Class A	3.15%	
Brookfield Corp.	3.12%	

*The issuer of this security is a related company to the issuer of the Fund.

Moderate Growth Fund (Mackenzie) SF814

Schedule of Investment Portfolio

(in Canadian \$ thousands)

As at December 31, 2023

	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units (continued)		
U.S. Equity Index Fund (GWLIM) SF512	173	546
<u>Top 5 Holdings:</u>	<u>% of Total</u>	
Apple Inc.	6.93%	
Microsoft Corp.	6.88%	
Amazon.com Inc.	3.40%	
NVIDIA Corp.	3.02%	
Alphabet Inc. Class A	2.04%	
Total Investments	7,656	12,154

Moderate Growth Fund (Mackenzie) SF814

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Net Assets Attributable to Contractholders by Category

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
75/75 guarantee policy	101,817	108,560	114,912	263,077	326,754	1,612	1,608	1,894	4,096	4,744
75/100 guarantee policy	575,686	686,121	788,046	873,120	992,708	9,049	10,095	12,909	13,516	14,340
100/100 guarantee policy	28,590	31,506	33,275	37,286	58,633	439	453	534	566	832
PS1 75/75 guarantee policy	4,848	9,107	9,107	8,294	4,741	75	132	145	125	66
PS1 75/100 guarantee policy	58,100	64,319	83,487	146,647	164,390	898	925	1,328	2,191	2,278
PS1 100/100 guarantee policy	645	17,799	20,945	32,201	43,510	10	251	328	474	595
PS2 75/100 guarantee policy	—	—	—	11,515	9,996	—	—	—	209	165
PS2 100/100 guarantee policy	—	—	—	8,786	7,526	—	—	—	160	124
PS 75/100 guarantee policy	5,916	5,946	5,976	6,007	6,038	71	66	73	69	64

Net Assets Attributable to Contractholders Per Unit (note 7)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
75/75 guarantee policy	15.84	14.81	16.48	15.57	14.52	1.03	(1.67)
75/100 guarantee policy	15.72	14.71	16.38	15.48	14.44	1.01	(1.67)
100/100 guarantee policy	15.34	14.38	16.04	15.18	14.19	0.96	(1.66)
PS1 75/75 guarantee policy	15.55	14.46	15.99	15.01	13.92	1.09	(1.53)
PS1 75/100 guarantee policy	15.45	14.37	15.91	14.94	13.86	1.08	(1.54)
PS1 100/100 guarantee policy	15.15	14.12	15.65	14.73	13.68	1.03	(1.53)
PS2 75/100 guarantee policy	—	—	—	18.20	16.49	—	—
PS2 100/100 guarantee policy	—	—	—	18.19	16.49	—	—
PS 75/100 guarantee policy	12.00	11.11	12.23	11.43	10.55	0.89	(1.12)

Moderate Growth Fund (Mackenzie) SF814

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Moderate Growth Fund (Mackenzie) SF814 (the Fund) is offered by The Canada Life Assurance Company (Canada Life or the Company).

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

Moderate Growth Fund (Mackenzie) SF814

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

Moderate Growth Fund (Mackenzie) SF814

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in note 9 on Financial Instrument Risk Management.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

Moderate Growth Fund (Mackenzie) SF814

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Investment Fund Units

Investment fund units are recorded at fair value, which is the closing net asset value (NAV) per unit of the underlying fund.

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Moderate Growth Fund (Mackenzie) SF814

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

Moderate Growth Fund (Mackenzie) SF814

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

k) Income Allocation

Net gain (loss) on investments, which includes realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the NAV per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

3. INVESTMENT FUND UNITS

Investment fund units of the Fund invest solely in units of other segregated investment funds of Canada Life. Units are valued based on the closing unit values of the underlying funds.

Investment activity of the underlying fund indirectly exposes the Fund to financial risk. See note 9 on Financial Instrument Risk Management.

Moderate Growth Fund (Mackenzie) SF814

Notes to the Financial Statements

(in Canadian \$ thousands)

4. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Emperor,
- Flex,
- Generations/Mosaic,
- Generations I,
- Generations II,
- Generations Core,
- Prestige/Prestige Plus, and
- Private Collections.

In addition to the Individual units, units are available for:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

The categories of units are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

Moderate Growth Fund (Mackenzie) SF814

Notes to the Financial Statements

(in Canadian \$ thousands)

5. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

6. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

7. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

Moderate Growth Fund (Mackenzie) SF814

Notes to the Financial Statements

(in Canadian \$ thousands)

8. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.
- c) The Fund invests in assets or underlying funds managed by Canada Life Investment Management Ltd. All investment transactions with the corresponding underlying funds are at quoted market prices.

Moderate Growth Fund (Mackenzie) SF814

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT

a) Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023. The following sections describe the significant risks that are relevant to the Fund.

The Fund employs a passive investment strategy whereby investments in underlying funds are based on target asset weightings. The target weightings allocated to each underlying fund and the selection of underlying funds are based on several factors, including impact to the Fund's volatility and asset class diversification. Significant changes to the selection of underlying funds or the target asset weightings attributed to each underlying fund require contractholder notification. To assist with managing risk, the Fund Manager also maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and other regulations. Financial statements for the underlying funds, which include discussions about their respective risk exposure, are available upon request.

b) Liquidity Risk

Liquidity risk arises when a Fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units. As the Fund primarily invests all of its net assets in the underlying funds, liquidity risk is mitigated by the underlying funds' ability to meet the obligation to fund daily cash redemptions of their redeemable units/shares. In addition, the underlying funds retain sufficient cash and cash equivalent positions to maintain adequate liquidity.

c) Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The Fund's investments in all underlying funds are denominated in Canadian dollars. However, the Fund is indirectly exposed to currency risk to the extent that the investments of the underlying funds are denominated or traded in a foreign currency.

d) Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund does not directly hold any interest-bearing financial instruments. The Fund is indirectly exposed to the risk that the value of interest-bearing financial instruments held by the underlying funds will fluctuate due to changes in the prevailing levels of market interest rates.

e) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund has no direct exposure to credit risk. The greatest indirect concentration of credit risk is in debt securities, such as bonds, held by underlying funds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer. The carrying amount of debt investments represents the maximum credit risk exposure as at December 31, 2023.

f) Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. For the instruments held by the Fund, maximum risk of loss is equivalent to their fair value. The Fund Manager moderates this risk through a careful selection of underlying funds within the parameters of the investment strategy.

Moderate Growth Fund (Mackenzie) SF814

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT (continued)

g) Fair Value Classification

Investment Fund Units are recorded at fair value, which is the closing NAV per unit of the underlying fund. This valuation is considered to be a Level 2 classification.

Moderate Growth Fund (Mackenzie) SF814

Supplemental Information (unaudited)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾

For the years ended December 31	2023	2022	2021	2020	2019
75/75 guarantee policy	2.83	2.84	2.86	2.86	2.85
75/100 guarantee policy	2.88	2.89	2.90	2.91	2.91
100/100 guarantee policy	3.04	3.05	3.06	3.07	3.06
PS1 75/75 guarantee policy	2.23	2.24	2.25	2.23	2.21
PS1 75/100 guarantee policy	2.29	2.30	2.32	2.29	2.29
PS1 100/100 guarantee policy	2.45	2.47	2.48	2.46	2.45
PS 75/100 guarantee policy	1.78	1.78	1.79	1.79	1.79

Unsubsidized Management Expense Ratio (%) ⁽²⁾

For the years ended December 31	2023	2022	2021	2020	2019
PS1 75/75 guarantee policy	2.23	2.24	2.25	2.26	2.23
PS1 75/100 guarantee policy	2.29	2.30	2.32	2.32	2.31
PS1 100/100 guarantee policy	2.45	2.47	2.48	2.49	2.47

Portfolio Turnover Rate (%) ⁽³⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	0.12	0.02	2.26	7.98	3.56

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The Company has waived a portion of the fees for the Preferred Series 1 and Preferred Partner Series guarantee policies. There is no obligation for the Company to continue waiving these fees and it may cease to do so at any time without notice.

(3) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
MODERATE INCOME FUND (MACKENZIE) SF815

December 31, 2023

Independent Auditor's Report

To the Contractholders of Moderate Income Fund (Mackenzie) SF815 (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

Moderate Income Fund (Mackenzie) SF815

(in Canadian \$ thousands)

Fund Manager: Portfolio Solutions Group, a division of Canada Life Investment Management Ltd.

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ —	\$ —
Investment income due and accrued	—	—
Due from The Canada Life Assurance Company (note 8)	—	—
Due from brokers	—	—
Due from outside parties	—	—
Investments		
Investment fund units (note 3)	16,152	16,469
Total investments	16,152	16,469
Total assets	\$ 16,152	\$ 16,469
Liabilities		
Overdrafts	\$ —	\$ —
Due to The Canada Life Assurance Company (note 8)	—	—
Due to brokers	—	—
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	—	—
Net assets attributable to contractholders	\$ 16,152	\$ 16,469

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 1,419	\$ (1,639)
Miscellaneous income (loss)	—	—
Total income (loss)	1,419	(1,639)
Expenses		
Management fees (note 8)	375	411
Other	40	44
Total expenses	415	455
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 1,004	\$ (2,094)

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year	\$ 16,469	\$ 20,490
Contractholder deposits	27	195
Contractholder withdrawals	(1,348)	(2,122)
Increase (decrease) in net assets from operations attributable to contractholders	1,004	(2,094)
Change in net assets attributable to contractholders	(317)	(4,021)
Net assets attributable to contractholders - end of year	\$ 16,152	\$ 16,469

Moderate Income Fund (Mackenzie) SF815

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 1,004	\$ (2,094)
Adjustments		
Realized (gains) losses	(576)	(975)
Unrealized (gains) losses	(843)	2,614
Gross proceeds of disposition of investments	1,744	3,036
Gross payments for the purchase of investments	(8)	(654)
	<u>1,321</u>	<u>1,927</u>
Financing Activities		
Contractholder deposits	27	195
Contractholder withdrawals	(1,348)	(2,122)
	<u>(1,321)</u>	<u>(1,927)</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	—	—
Cash, short-term deposits and overdrafts, beginning of year	—	—
Cash, short-term deposits and overdrafts, end of year	<u>\$ —</u>	<u>\$ —</u>

Moderate Income Fund (Mackenzie) SF815

Schedule of Investment Portfolio

(in Canadian \$ thousands)

As at December 31, 2023

	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units		
Bond Fund (Mackenzie) SF501	8,174	10,497
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Province of Ontario 3.65% 06-02-2033	8.04%	
Cash and short-term deposits	6.33%	
Government of Canada 2.75% 06-01-2033	4.92%	
Province of Quebec 4.40% 12-01-2055	3.55%	
United States Treasury Inflation Index 0.50% 04-15-2024 Real Return	2.64%	
Canadian Growth Fund (Mackenzie) SF518	1,158	2,560
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Royal Bank of Canada	6.77%	
The Toronto-Dominion Bank	6.06%	
Mackenzie US Large Cap Index ETF *	4.63%	
Canadian Natural Resources Ltd.	3.93%	
Bank of Montreal	3.92%	
Canadian Large Cap Equity Index Fund (GWLIM) SF503	419	853
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Royal Bank of Canada	7.63%	
The Toronto-Dominion Bank	6.42%	
Shopify Inc.	5.05%	
Enbridge Inc.	4.11%	
Canadian National Railway Co.	4.03%	
Global Value Fund (Mackenzie) SF514	532	850
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Renesas Electronics Corp.	3.94%	
SNC-Lavalin Group Inc.	3.90%	
Oracle Corp.	3.77%	
UBS Group AG	3.70%	
Salesforce Inc.	3.33%	
Ivy Foreign Equity Fund (Mackenzie) SF359	373	832
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Cash and short-term deposits	7.63%	
Danaher Corp.	4.28%	
Colgate Palmolive Co.	3.60%	
Alphabet Inc. Class A	3.15%	
Brookfield Corp.	3.12%	

*The issuer of this security is a related company to the issuer of the Fund.

Moderate Income Fund (Mackenzie) SF815

Schedule of Investment Portfolio

(in Canadian \$ thousands)

As at December 31, 2023

	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units (continued)		
U.S. Equity Index Fund (GWLIM) SF512	196	560
<u>Top 5 Holdings:</u>	<u>% of Total</u>	
Apple Inc.	6.93%	
Microsoft Corp.	6.88%	
Amazon.com Inc.	3.40%	
NVIDIA Corp.	3.02%	
Alphabet Inc. Class A	2.04%	
Total Investments	10,852	16,152

Moderate Income Fund (Mackenzie) SF815

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Net Assets Attributable to Contractholders by Category

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
75/75 guarantee policy	74,681	87,890	93,101	106,436	114,025	1,120	1,240	1,469	1,621	1,619
75/100 guarantee policy	762,505	836,761	953,630	1,115,089	1,242,398	11,348	11,719	14,949	16,882	17,542
100/100 guarantee policy	1,267	3,897	14,235	18,599	33,821	18	53	219	276	470
PS1 75/75 guarantee policy	1,776	1,880	2,003	2,121	2,265	26	26	30	31	31
PS1 75/100 guarantee policy	241,254	243,150	242,631	267,665	291,822	3,494	3,294	3,657	3,873	3,914
PS1 100/100 guarantee policy	10,260	10,260	11,092	11,092	11,092	146	137	165	158	147
PS2 75/100 guarantee policy	—	—	—	11,130	32,806	—	—	—	194	518
PS 75/100 guarantee policy	—	—	90	426	788	—	—	1	5	8

Net Assets Attributable to Contractholders Per Unit (note 7)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
75/75 guarantee policy	15.00	14.11	15.78	15.23	14.20	0.89	(1.67)
75/100 guarantee policy	14.88	14.01	15.68	15.14	14.12	0.87	(1.67)
100/100 guarantee policy	14.55	13.71	15.37	14.87	13.89	0.84	(1.66)
PS1 75/75 guarantee policy	14.58	13.63	15.16	14.54	13.47	0.95	(1.53)
PS1 75/100 guarantee policy	14.48	13.55	15.07	14.47	13.41	0.93	(1.52)
PS1 100/100 guarantee policy	14.21	13.31	14.84	14.27	13.25	0.90	(1.53)
PS2 75/100 guarantee policy	—	—	—	17.40	15.79	—	—
PS 75/100 guarantee policy	—	—	12.00	11.46	10.57	—	—

Moderate Income Fund (Mackenzie) SF815

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Moderate Income Fund (Mackenzie) SF815 (the Fund) is offered by The Canada Life Assurance Company (Canada Life or the Company).

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

Moderate Income Fund (Mackenzie) SF815

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

Moderate Income Fund (Mackenzie) SF815

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in note 9 on Financial Instrument Risk Management.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

Moderate Income Fund (Mackenzie) SF815

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Investment Fund Units

Investment fund units are recorded at fair value, which is the closing net asset value (NAV) per unit of the underlying fund.

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Moderate Income Fund (Mackenzie) SF815

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

Moderate Income Fund (Mackenzie) SF815

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

k) Income Allocation

Net gain (loss) on investments, which includes realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the NAV per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

3. INVESTMENT FUND UNITS

Investment fund units of the Fund invest solely in units of other segregated investment funds of Canada Life. Units are valued based on the closing unit values of the underlying funds.

Investment activity of the underlying fund indirectly exposes the Fund to financial risk. See note 9 on Financial Instrument Risk Management.

Moderate Income Fund (Mackenzie) SF815

Notes to the Financial Statements

(in Canadian \$ thousands)

4. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Emperor,
- Flex,
- Generations/Mosaic,
- Generations I,
- Generations II,
- Generations Core,
- Prestige/Prestige Plus, and
- Private Collections.

In addition to the Individual units, units are available for:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

The categories of units are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

Moderate Income Fund (Mackenzie) SF815

Notes to the Financial Statements

(in Canadian \$ thousands)

5. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

6. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

7. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

Moderate Income Fund (Mackenzie) SF815

Notes to the Financial Statements

(in Canadian \$ thousands)

8. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.
- c) The Fund invests in assets or underlying funds managed by Canada Life Investment Management Ltd. All investment transactions with the corresponding underlying funds are at quoted market prices.

Moderate Income Fund (Mackenzie) SF815

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT

a) Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023. The following sections describe the significant risks that are relevant to the Fund.

The Fund employs a passive investment strategy whereby investments in underlying funds are based on target asset weightings. The target weightings allocated to each underlying fund and the selection of underlying funds are based on several factors, including impact to the Fund's volatility and asset class diversification. Significant changes to the selection of underlying funds or the target asset weightings attributed to each underlying fund require contractholder notification. To assist with managing risk, the Fund Manager also maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and other regulations. Financial statements for the underlying funds, which include discussions about their respective risk exposure, are available upon request.

b) Liquidity Risk

Liquidity risk arises when a Fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units. As the Fund primarily invests all of its net assets in the underlying funds, liquidity risk is mitigated by the underlying funds' ability to meet the obligation to fund daily cash redemptions of their redeemable units/shares. In addition, the underlying funds retain sufficient cash and cash equivalent positions to maintain adequate liquidity.

c) Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The Fund's investments in all underlying funds are denominated in Canadian dollars. However, the Fund is indirectly exposed to currency risk to the extent that the investments of the underlying funds are denominated or traded in a foreign currency.

d) Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund does not directly hold any interest-bearing financial instruments. The Fund is indirectly exposed to the risk that the value of interest-bearing financial instruments held by the underlying funds will fluctuate due to changes in the prevailing levels of market interest rates.

e) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund has no direct exposure to credit risk. The greatest indirect concentration of credit risk is in debt securities, such as bonds, held by underlying funds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer. The carrying amount of debt investments represents the maximum credit risk exposure as at December 31, 2023.

f) Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. For the instruments held by the Fund, maximum risk of loss is equivalent to their fair value. The Fund Manager moderates this risk through a careful selection of underlying funds within the parameters of the investment strategy.

Moderate Income Fund (Mackenzie) SF815

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT (continued)

g) Fair Value Classification

Investment Fund Units are recorded at fair value, which is the closing NAV per unit of the underlying fund. This valuation is considered to be a Level 2 classification.

Moderate Income Fund (Mackenzie) SF815

Supplemental Information (unaudited)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾

For the years ended December 31	2023	2022	2021	2020	2019
75/75 guarantee policy	2.66	2.67	2.68	2.67	2.67
75/100 guarantee policy	2.72	2.73	2.73	2.73	2.73
100/100 guarantee policy	2.87	2.92	2.89	2.89	2.88
PS1 75/75 guarantee policy	2.07	2.08	2.08	2.05	2.05
PS1 75/100 guarantee policy	2.12	2.13	2.14	2.11	2.11
PS1 100/100 guarantee policy	2.29	2.30	2.30	2.28	2.27
PS 75/100 guarantee policy	—	—	1.63	1.62	1.61

Unsubsidized Management Expense Ratio (%) ⁽²⁾

For the years ended December 31	2023	2022	2021	2020	2019
PS1 75/75 guarantee policy	2.07	2.08	2.08	2.08	2.07
PS1 75/100 guarantee policy	2.12	2.13	2.14	2.14	2.13
PS1 100/100 guarantee policy	2.29	2.30	2.30	2.31	2.29

Portfolio Turnover Rate (%) ⁽³⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	0.04	3.70	0.54	9.31	5.61

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The Company has waived a portion of the fees for the Preferred Series 1 and Preferred Partner Series guarantee policies. There is no obligation for the Company to continue waiving these fees and it may cease to do so at any time without notice.

(3) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
SHORT TERM BOND FUND (PIM) SF816

December 31, 2023

Independent Auditor's Report

To the Contractholders of Short Term Bond Fund (PIM) SF816 (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

Short Term Bond Fund (PIM) SF816

(in Canadian \$ thousands)

Fund Manager: Mackenzie Investments

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ 1,549	\$ 3,852
Investment income due and accrued	632	426
Due from The Canada Life Assurance Company (note 8)	22	83
Due from brokers	—	—
Due from outside parties	—	—
Investments		
Bonds	78,945	70,643
Stocks	781	1,160
Investment fund units	—	—
Derivatives (note 7)	42	1
Total investments	79,768	71,804
Total assets	\$ 81,971	\$ 76,165
Liabilities		
Overdrafts	\$ —	\$ —
Due to The Canada Life Assurance Company (note 8)	—	—
Due to brokers	39	—
Due to outside parties	—	—
Derivatives (note 7)	2	—
Total liabilities excluding net assets attributable to contractholders	41	—
Net assets attributable to contractholders	\$ 81,930	\$ 76,165

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 4,512	\$ (2,712)
Miscellaneous income (loss)	36	49
Total income (loss)	4,548	(2,663)
Expenses		
Management fees (note 8)	93	87
Transaction costs	—	—
Withholding taxes	—	—
Other	7	12
Total expenses	100	99
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 4,448	\$ (2,762)

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year		
	\$ 76,165	\$ 79,521
Contractholder deposits	10,115	7,172
Contractholder withdrawals	(8,798)	(7,766)
Increase (decrease) in net assets from operations attributable to contractholders	4,448	(2,762)
Change in net assets attributable to contractholders	5,765	(3,356)
Net assets attributable to contractholders - end of year	\$ 81,930	\$ 76,165

Short Term Bond Fund (PIM) SF816

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 4,448	\$ (2,762)
Adjustments		
Add back amortization of premium (discount)	(41)	(53)
Realized (gains) losses	1,967	1,584
Unrealized (gains) losses	(4,093)	2,992
Gross proceeds of disposition of investments	70,890	47,453
Gross payments for the purchase of investments	(76,685)	(46,102)
Change in investment income due and accrued	(206)	(89)
Change in due from/to The Canada Life Assurance Company	61	91
Change in due from/to brokers	39	—
Change in due from/to outside parties	—	—
	<u>(3,620)</u>	<u>3,114</u>
Financing Activities		
Contractholder deposits	10,115	7,172
Contractholder withdrawals	(8,798)	(7,766)
	<u>1,317</u>	<u>(594)</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	(2,303)	2,520
Cash, short-term deposits and overdrafts, beginning of year	3,852	1,332
Cash, short-term deposits and overdrafts, end of year	\$ 1,549	\$ 3,852
Supplementary cash flow information		
Interest income received	\$ 1,837	\$ 1,666
Dividend income received	30	24

Short Term Bond Fund (PIM) SF816

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or Par Value	Average Cost	Fair Value
Canadian Bonds			
Federal Government			
Canada Housing Trust No. 1 1.25% 06-15-2026	5,835,000	5,435	5,494
Government of Canada 1.25% 03-01-2027	983,000	929	921
Government of Canada 2.75% 09-01-2027	87,000	82	85
Government of Canada 3.25% 09-01-2028	5,793,000	5,567	5,813
Government of Canada 4.25% 12-01-2026 Real Return	600,000	1,203	1,175
Total Federal Government		13,216	13,488
Provincial Government			
Ontario Power Generation Inc. 1.17% 04-22-2026	763,000	689	710
Ontario Teachers' Finance Trust 1.10% 10-19-2027	15,000	13	14
Province of Alberta 2.20% 06-01-2026	1,260,000	1,197	1,212
Province of Alberta 2.35% 06-01-2025	88,000	94	86
Province of Newfoundland and Labrador 1.25% 06-02-2027	114,000	114	105
Province of Ontario 3.40% 09-08-2028	2,975,000	2,814	2,961
Province of Ontario 3.60% 03-08-2028	9,471,000	9,248	9,495
Province of Quebec 2.75% 09-01-2025	3,014,000	3,225	2,949
Province of Quebec 2.75% 09-01-2028	1,260,000	1,195	1,220
Total Provincial Government		18,589	18,752
Corporate - Non-convertible			
407 International Inc. 1.80% 05-22-2025	100,000	103	96
407 International Inc. 4.22% 02-14-2028	324,000	312	323
AIMCo Realty Investors LP 2.195% 11-04-2026	64,000	64	60
AIMCo Realty Investors LP 3.367% 06-01-2027	1,580,000	1,497	1,529
AltaGas Ltd. 2.157% 06-10-2025	6,000	6	6
AltaGas Ltd. 2.166% 03-16-2027	9,000	9	8
AltaGas Ltd. 4.638% 05-15-2026	223,000	218	223
ARC Resources Ltd. 2.354% 03-10-2026	17,000	17	16
Athene Global Funding 3.127% 03-10-2025	63,000	63	61
Bank of Montreal 1.551% 05-28-2026	54,000	54	51
Bank of Montreal 1.758% 03-10-2026	964,000	935	913
Bank of Montreal 3.19% 03-01-2028	118,000	117	114
Bank of Montreal 3.65% 04-01-2027	194,000	192	189
Bank of Montreal 4.30% 11-26-2025	11,000	10	10
Bank of Montreal 4.309% 06-01-2027	218,000	217	217

Short Term Bond Fund (PIM) SF816

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or <u>Par Value</u>	Average <u>Cost</u>	Fair <u>Value</u>
Canadian Bonds (continued)			
Corporate - Non-convertible (continued)			
Bank of Montreal 4.537% 12-18-2028	125,000	125	126
Bank of Montreal 4.709% 12-07-2027	857,000	841	864
Bank of Montreal 6.034% 09-07-2033	192,000	192	200
Bank of Montreal 6.534% 10-27-2032	62,000	63	65
Bank of Montreal 7.325% 11-26-2082	66,000	66	66
BCI QuadReal Realty 1.056% 03-12-2024	45,000	45	45
BCI QuadReal Realty 1.073% 02-04-2026	474,000	424	443
Bell Canada 2.20% 05-29-2028	17,000	17	16
Bell Canada 5.15% 11-14-2028	11,000	11	11
Bell Canada 5.25% 03-15-2029	17,000	17	18
Bell Canada Inc. 3.60% 09-29-2027	1,221,000	1,141	1,191
BMW Canada Inc. 0.99% 01-14-2025	16,000	16	15
Brookfield Renewable Energy Partners LP 3.63% 01-15-2027	4,000	5	4
Brookfield Renewable Energy Partners LP 3.752% 06-02-2025	78,000	85	77
Bruce Power LP 4.70% 12-21-2027	532,000	519	538
CAE Inc. 5.541% 06-12-2028	47,000	47	48
Canadian Core Real Estate 3.299% 03-02-2027	69,000	69	65
Canadian Imperial Bank of Commerce 1.96% 04-21-2031	100,000	100	93
Canadian Imperial Bank of Commerce 4.20% 04-07-2032	59,000	58	58
Canadian Imperial Bank of Commerce 4.375% 10-28-2025	40,000	41	38
Canadian Imperial Bank of Commerce 4.95% 06-29-2027	797,000	788	808
Canadian Imperial Bank of Commerce 5.00% 12-07-2026	90,000	90	91
Canadian Imperial Bank of Commerce 5.05% 10-07-2027	42,000	42	43
Canadian Imperial Bank of Commerce 5.33% 01-20-2033	62,000	62	63
Canadian Imperial Bank of Commerce 5.35% 04-20-2033	11,000	11	11
Canadian Imperial Bank of Commerce 5.935% 07-14-2026	76,000	76	76
Canadian Imperial Bank of Commerce 7.15% 07-28-2082	63,000	63	63
Canadian Pacific Railway Ltd. 2.54% 02-28-2028	28,000	28	26
Canadian Western Bank 1.926% 04-16-2026	88,000	88	83
Canadian Western Bank 2.597% 09-06-2024	76,000	72	75
Canadian Western Bank 2.606% 01-30-2025	42,000	43	41
Canadian Western Bank 3.859% 04-21-2025	106,000	106	104
Canadian Western Bank 5.146% 09-02-2027	718,000	706	728
Canadian Western Bank 5.261% 12-20-2025	31,000	31	31
Canadian Western Bank 5.937% 12-22-2032	26,000	26	26
Capital Power Corp. 5.378% 01-25-2027	250,000	250	254
Capital Power Corp. 5.816% 09-15-2028	50,000	50	52

Short Term Bond Fund (PIM) SF816

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or <u>Par Value</u>	Average <u>Cost</u>	Fair <u>Value</u>
Canadian Bonds (continued)			
Corporate - Non-convertible (continued)			
CDP Financial Inc. 1.50% 10-19-2026	175,000	175	164
Cenovus Energy Inc. 3.50% 02-07-2028	30,000	29	29
Cenovus Energy Inc. 3.60% 03-10-2027	26,000	25	25
Central 1 Credit Union 2.391% 06-30-2031	250,000	250	227
Central 1 Credit Union 4.648% 02-07-2028	979,000	935	961
Central 1 Credit Union 5.877% 11-10-2026	42,000	42	43
CGI Inc. 2.10% 09-18-2028	9,000	9	8
CHIP Mortgage Trust 1.503% 11-15-2024	40,000	40	38
Choice Properties REIT 2.456% 11-30-2026	587,000	537	554
Coast Capital Savings Federal Credit Union 5.25% 10-29-2030	148,000	164	144
Coast Capital Savings Federal Credit Union 7.005% 09-28-2026	93,000	93	96
Daimler Canada Finance Inc. 1.65% 09-22-2025	31,000	31	30
Daimler Truck Finance Canada Inc. 2.14% 12-13-2024	450,000	450	437
Dollarama Inc. 1.871% 07-08-2026	650,000	601	612
Dollarama Inc. 5.533% 09-26-2028	80,000	80	84
Dream Industrial REIT 1.662% 12-22-2025	42,000	42	40
Dream Industrial REIT 2.057% 06-17-2027	11,000	11	10
Dream Industrial REIT 2.539% 12-07-2026	49,000	49	46
Dream Industrial REIT 3.968% 04-13-2026	24,000	24	24
Dream Industrial REIT 5.383% 03-22-2028	23,000	23	23
Dream Industrial REIT 5.383% 03-22-2028	38,000	38	39
Enbridge Gas Inc. 5.46% 10-06-2028	231,000	231	245
Enbridge Inc. 3.20% 06-08-2027	380,000	348	365
Enbridge Inc. 4.90% 05-26-2028	38,000	38	39
Enbridge Inc. 5.375% 09-27-2077	481,000	480	453
Equitable Bank 1.876% 11-26-2025	711,000	697	667
Equitable Bank 3.362% 03-02-2026	56,000	56	54
Federation des Caisses Desjardins du Quebec 1.093% 01-21-2026	1,395,000	1,289	1,303
Federation des Caisses Desjardins du Quebec 1.587% 09-10-2026	67,000	67	62
Federation des Caisses Desjardins du Quebec 4.407% 05-19-2027	95,000	95	95
Federation des Caisses Desjardins du Quebec 5.035% 08-23-2032	26,000	26	26
Federation des Caisses Desjardins du Quebec 5.20% 10-01-2025	101,000	101	102
Federation des Caisses Desjardins du Quebec 5.467% 11-17-2028	77,000	77	80
Federation des Caisses Desjardins du Quebec 5.475% 08-16-2028	7,000	7	7
Finning International Inc. 4.445% 05-16-2028	42,000	42	42
First Capital REIT 3.447% 03-01-2028	40,000	35	37
First National Financial Corp. 2.961% 11-17-2025	126,000	127	119

Short Term Bond Fund (PIM) SF816

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or Par Value	Average Cost	Fair Value
Canadian Bonds (continued)			
Corporate - Non-convertible (continued)			
First National Financial Corp. 3.582% 11-25-2024	83,000	86	81
Ford Credit Canada Co. 6.326% 11-10-2026	302,000	301	310
General Motors Financial of Canada Ltd. 5.20% 02-09-2028	39,000	39	39
Gibson Energy Inc. 5.80% 07-12-2026	490,000	490	492
Granite REIT Holdings LP 2.194% 08-30-2028	22,000	21	20
Granite REIT Holdings LP 3.062% 06-04-2027	7,000	7	7
Granite REIT Holdings LP 6.074% 04-12-2029	23,000	23	24
Home Trust Co. 5.317% 06-13-2024	95,000	95	95
Honda Canada Finance Inc. 4.873% 09-23-2027	51,000	51	52
Honda Canada Finance Inc. 5.73% 09-28-2028	43,000	43	46
HSBC Bank Canada 3.403% 03-24-2025	136,000	136	134
Hydro One Inc. 4.91% 01-27-2028	413,000	406	427
Hydro One Inc. 5.54% 10-20-2025	340,000	340	347
iA Financial Corp. Inc. 2.40% 02-21-2025	5,000	5	5
iA Financial Corp. Inc. 5.685% 06-20-2033	38,000	38	39
Intact Financial Corp. 2.179% 05-18-2028	11,000	11	10
Intact Financial Corp. 4.125% 03-31-2081	20,000	20	18
John Deere Financial Inc. 2.40% 09-17-2024	374,000	361	367
John Deere Financial Inc. 4.95% 06-14-2027	200,000	200	205
John Deere Financial Inc. 5.17% 09-15-2028	199,000	199	208
Laurentian Bank of Canada 1.15% 06-03-2024	442,000	439	434
Laurentian Bank of Canada 1.95% 03-17-2025	54,000	54	52
Laurentian Bank of Canada 4.60% 09-02-2025	99,000	99	98
Lower Mattagami Energy LP 3.42% 06-20-2024	401,000	433	398
Manulife Bank of Canada 1.536% 09-14-2026	103,000	103	96
Manulife Bank of Canada 2.864% 02-16-2027	794,000	734	760
Manulife Financial Corp. 5.409% 03-10-2033	523,000	515	535
Manulife Financial Corp. 7.117% 06-19-2082	306,000	300	307
MCAP Commercial LP 3.743% 08-25-2025	501,000	521	482
MCAP Commercial LP 4.151% 06-17-2024	360,000	379	356
National Bank of Canada 1.534% 06-15-2026	42,000	42	39
National Bank of Canada 1.573% 08-18-2026	413,000	393	393
National Bank of Canada 4.968% 12-07-2026	121,000	121	123
National Bank of Canada 5.023% 02-01-2029	50,000	50	51
National Bank of Canada 5.219% 06-14-2028	981,000	980	1,010
National Bank of Canada 5.296% 11-03-2025	56,000	56	57
National Bank of Canada 5.426% 08-16-2032	129,000	129	130

Short Term Bond Fund (PIM) SF816

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or <u>Par Value</u>	Average <u>Cost</u>	Fair <u>Value</u>
Canadian Bonds (continued)			
Corporate - Non-convertible (continued)			
North West Redwater Partnership 2.80% 06-01-2027	19,000	20	18
North West Redwater Partnership 3.20% 04-24-2026	380,000	360	370
Ontario Power Generation Inc. 2.893% 04-08-2025	177,000	177	173
Pembina Pipeline Corp. 3.71% 08-11-2026	1,297,000	1,329	1,272
Pembina Pipeline Corp. 4.241% 06-15-2027	286,000	272	284
Pembina Pipeline Corp. 5.72% 06-22-2026	63,000	63	63
Prime Structured Mortgage Trust 1.856% 11-15-2024	78,000	78	76
Reliance LP 2.67% 08-01-2028	14,000	14	13
Reliance LP 2.68% 12-01-2027	23,000	23	21
Reliance LP 3.75% 03-15-2026	355,000	382	346
RioCan REIT 1.974% 06-15-2026	827,000	812	770
RioCan REIT 2.576% 02-12-2025	101,000	101	98
RioCan REIT 5.611% 10-06-2027	55,000	54	56
Rogers Communications Inc. 3.10% 04-15-2025	18,000	18	18
Rogers Communications Inc. 5.70% 09-21-2028	121,000	121	127
Royal Bank of Canada 2.328% 01-28-2027	31,000	28	29
Royal Bank of Canada 2.352% 07-02-2024	42,000	42	41
Royal Bank of Canada 2.609% 11-01-2024	951,000	916	931
Royal Bank of Canada 2.88% 12-23-2029	95,000	99	93
Royal Bank of Canada 3.369% 09-29-2025	158,000	154	155
Royal Bank of Canada 4.50% 11-24-2080	147,000	151	140
Royal Bank of Canada 4.612% 07-26-2027	152,000	151	153
Royal Bank of Canada 4.632% 05-01-2028	70,000	70	71
Royal Bank of Canada 4.642% 01-17-2028	133,000	133	134
Royal Bank of Canada 5.01% 02-01-2033	1,281,000	1,256	1,284
Royal Bank of Canada 5.341% 06-23-2026	92,000	92	94
Saputo Inc. 2.242% 06-16-2027	190,000	169	177
Sienna Senior Living Inc. 2.82% 03-31-2027	5,000	5	5
Sienna Senior Living Inc. 3.109% 11-04-2024	133,000	137	130
Sienna Senior Living Inc. 3.45% 02-27-2026	363,000	377	347
Sun Life Financial Inc. 2.58% 05-10-2032	1,280,000	1,141	1,197
Sun Life Financial Inc. 2.80% 11-21-2033	29,000	29	27
Suncor Energy Inc. 5.40% 11-17-2026	98,000	98	100
Teranet Holdings LP 3.544% 06-11-2025	375,000	397	365
The Bank of Nova Scotia 1.95% 01-10-2025	182,000	178	176
The Bank of Nova Scotia 2.16% 02-03-2025	79,000	75	77
The Bank of Nova Scotia 2.95% 03-08-2027	177,000	164	169

Short Term Bond Fund (PIM) SF816

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or <u>Par Value</u>	Average <u>Cost</u>	Fair <u>Value</u>
Canadian Bonds (continued)			
Corporate - Non-convertible (continued)			
The Bank of Nova Scotia 3.934% 05-03-2032	77,000	77	74
The Bank of Nova Scotia 5.50% 05-08-2026	288,000	287	294
The Bank of Nova Scotia 5.679% 08-02-2033	46,000	46	47
The Bank of Nova Scotia 7.023% 07-27-2082	162,000	162	160
The Empire Life Insurance Co. 3.625% 04-17-2026	338,000	340	264
The Empire Life Insurance Co. 5.503% 01-13-2033	37,000	37	37
The Toronto-Dominion Bank 2.26% 01-07-2027	65,000	65	61
The Toronto-Dominion Bank 2.496% 12-02-2024	670,000	699	654
The Toronto-Dominion Bank 2.667% 09-09-2025	245,000	235	237
The Toronto-Dominion Bank 3.06% 01-26-2032	14,000	13	13
The Toronto-Dominion Bank 4.21% 06-01-2027	1,276,000	1,248	1,267
The Toronto-Dominion Bank 4.34% 01-27-2026	126,000	125	126
The Toronto-Dominion Bank 4.477% 01-18-2028	127,000	127	127
The Toronto-Dominion Bank 5.376% 10-21-2027	71,000	71	73
The Toronto-Dominion Bank 5.423% 07-10-2026	71,000	71	73
The Toronto-Dominion Bank 5.491% 09-08-2028	187,000	186	196
Toronto Hydro Corp. 5.13% 10-12-2028	191,000	191	201
Tourmaline Oil Corp. 2.077% 01-25-2028	2,000	2	2
Tourmaline Oil Corp. 2.529% 02-12-2029	8,000	8	7
Toyota Credit Canada Inc. 4.45% 01-26-2026	425,000	424	424
Toyota Credit Canada Inc. 5.29% 07-13-2026	126,000	126	129
TransCanada PipeLines Ltd. 3.80% 04-05-2027	492,000	462	482
TransCanada PipeLines Ltd. 5.419% 03-10-2026	360,000	360	360
TransCanada PipeLines Ltd. Floating Rate 05-18-2077	529,000	520	484
Transcontinental Inc. 2.667% 02-03-2025	26,000	25	25
Vancouver Airport Fuel Facilities Corp. 2.168% 06-23-2025	8,000	8	8
Ventas Canada Finance Ltd. 5.398% 04-21-2028	15,000	15	15
Waste Management of Canada Corp. 2.60% 09-23-2026	380,000	351	364
WSP Global Inc. 2.408% 04-19-2028	17,000	17	16
Total Corporate - Non-convertible		41,796	41,769

Short Term Bond Fund (PIM) SF816

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or Par Value	Average Cost	Fair Value
Canadian Bonds (continued)			
Mortgage Backed			
First National Financial Corp. 3.84% 11-01-2028	346,000	334	343
Total Mortgage Backed		334	343
Total Canadian Bonds		73,935	74,352
United States Bonds			
Federal Government			
United States Treasury Inflation Index 0.50% 04-15-2024 Real Return	250,000	394	399
Total Federal Government		394	399
Corporate - Non-convertible			
Air Lease Corp. 5.40% 06-01-2028	60,000	59	61
Apple Inc. 2.513% 08-19-2024	2,050,000	1,998	2,018
Athene Global Funding Floating Rate 04-09-2024	171,000	171	171
Bank of America Corp. 1.978% 09-15-2027	13,000	13	12
Bank of America Corp. 3.615% 03-16-2028	978,000	924	948
Broadcom Inc. 4.11% 09-15-2028	16,000	20	21
Charter Communications Operating LLC/Charter Communications Operating Capital Corp. 6.15% 11-10-2026	33,000	45	45
JPMorgan Chase & Co. 1.896% 03-05-2028	7,000	7	6
Micron Technology Inc. 5.375% 04-15-2028	15,000	20	20
NextEra Energy Capital Holdings Inc. 1.90% 06-15-2028	10,000	12	12
PACCAR Financial Corp. 0.985% 05-14-2024	240,000	240	236
The Goldman Sachs Group Inc. 2.599% 11-30-2027	157,000	156	148
T-Mobile USA Inc. 3.50% 04-15-2025	119,000	151	154
T-Mobile USA Inc. 3.75% 04-15-2027	119,000	148	153
T-Mobile USA Inc. 4.95% 03-15-2028	22,000	30	30
Verizon Communications Inc. Floating Rate 03-20-2026	35,000	44	46
Wells Fargo & Co. 2.975% 05-19-2026	20,000	22	19
Total Corporate - Non-convertible		4,060	4,100
Total United States Bonds		4,454	4,499

Short Term Bond Fund (PIM) SF816

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or Par Value	Average Cost	Fair Value
Global Bonds			
Australia			
Transurban Finance Co. Pty Ltd. 4.555% 11-14-2028	20,000	22	20
Austria			
Suzano Austria GmbH 2.50% 09-15-2028	11,000	14	13
Japan			
Toyota Motor Corp. 1.339% 03-25-2026	41,000	51	51
Jersey			
Heathrow Funding Ltd. 2.694% 10-13-2027	11,000	11	10
Total Global Bonds		98	94
Total Bonds		78,487	78,945
Canadian Common Stock			
Exchange Traded Funds			
Mackenzie Canadian Short Term Bond Index ETF *	8,000	765	775
Total Canadian Common Stock		765	775
Canadian Preferred Stock			
Financials			
Brookfield Corp. 4.80% Preferred Conv.	192	5	4
Total Canadian Preferred Stock		5	4

*The issuer of this security is a related company to the issuer of the Fund.

Short Term Bond Fund (PIM) SF816

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or <u>Par Value</u>	<u>Average Cost</u>	<u>Fair Value</u>
Global Preferred Stock			
Bermuda			
Brookfield Renewable Partners LP 5.00% Preferred	108	3	2
Total Global Preferred Stock		3	2
Total Stocks		773	781

Short Term Bond Fund (PIM) SF816

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, contracts, shares, par value or contract price)

As at December 31, 2023

Schedule of Derivative Contracts

Forward Currency Contracts

Contract Price	Settlement Date	Purchased Currency		Sold Currency		Unrealized Gain (Loss)
		Currency	Value as at December 31	Currency	Value as at December 31	
1.3572	January 11, 2024	Canadian Dollar	378	United States Dollar	371	7
1.3461	January 18, 2024	Canadian Dollar	34	United States Dollar	33	1
1.3206	January 25, 2024	Canadian Dollar	35	United States Dollar	35	-
1.3833	February 15, 2024	Canadian Dollar	799	United States Dollar	774	25
1.3794	February 15, 2024	Canadian Dollar	55	United States Dollar	53	2
Derivatives - Assets						35
Total Forward Currency Contracts						35

Futures Contracts

No. of Contracts	Average Contract Price	Futures Contracts	Maturity Date	Notional Amount	Price as at December 31	Unrealized Gain (Loss)
(20)	CAD 145.93	10YR MINI JGB 03-31-2024	March 31, 2024	JPY 293,060	CAD 146.53	7
Derivatives - Assets						7
(15)	CAD 112.49	CAN 5YR BOND 03-31-2024	March 31, 2024	CAD 1,690	CAD 112.69	(2)
Derivatives - Liabilities						(2)
Total Futures Contracts						5

Total Derivative Instruments at Fair Value

40

Total Investments

79,260

79,766

Short Term Bond Fund (PIM) SF816

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

Introduction

The objective of the Short Term Bond Fund (PIM) SF816 (the Fund) in managing risk is the creation and protection of contractholder value. Risk is inherent in the Fund's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. The process of risk management is critical to the Fund's continuing profitability. The Fund can be exposed to liquidity risk, market risk (which includes currency risk, interest rate risk and other price risk) and credit risk arising from the financial instruments it holds.

A. Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023, and groups the securities by asset type, geographic region and/or market segment. The following sections describe the significant risks that are relevant to the Fund.

To assist with managing risk, The Canada Life Assurance Company (Canada Life or the Company) maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and other regulations.

B. Liquidity Risk

Liquidity risk arises when a fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units by contractholders. The Fund retains sufficient cash and cash equivalent positions to maintain adequate liquidity to meet the obligation to fund daily cash redemptions of their redeemable units.

Some securities are illiquid due to legal restrictions on their resale, the nature of the investment, or simply a lack of interested buyers for a particular security or security type. Certain securities may become less liquid due to changes in market conditions, such as interest rate changes or market volatility, which could impair the ability of a fund to sell such securities quickly.

In accordance with the Fund's policy, the Company monitors the Fund's liquidity positions on a regular basis.

C. Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The classifications used on the Schedule of Investment Portfolio for the financial instruments are based on the country of issue.

The table below indicates the foreign currencies to which the Fund had significant exposure as at December 31, 2023 in Canadian dollar terms, including the underlying principal amount of forward currency contracts, if any. The table also illustrates the potential impact to the Fund's net assets attributable to contractholders, all other variables held constant, as a result of a 1% change in these currencies relative to the Canadian dollar. In practice, the actual results may differ from this sensitivity analysis and the difference could be significant.

2023

Currency	Investments	Cash, Short-term Deposits and Overdrafts	Total*	Impact on Net Assets Attributable to Contractholders
United States Dollar	\$ (3)	\$ 1	\$ (2)	\$ —
Other Currencies	—	(5)	(5)	—
Total	\$ (3)	\$ (4)	\$ (7)	\$ —
As Percent of Net Assets Attributable to Contractholders			—%	—%

*Includes both monetary and non-monetary instruments

Short Term Bond Fund (PIM) SF816

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

C. Currency Risk (continued)

2022					
Currency	Investments	Cash, Short-term Deposits and Overdrafts		Total*	Impact on Net Assets Attributable to Contractholders
United States Dollar	\$ 247	\$ 2	\$ 249	\$ 3	
Other Currencies	—	3	3	—	
Total	\$ 247	\$ 5	\$ 252	\$ 3	
As Percent of Net Assets Attributable to Contractholders				0.3%	—%

*Includes both monetary and non-monetary instruments

D. Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund is exposed to the risk that the value of interest-bearing financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. Due to the nature of short-term fixed income securities with a remaining term-to-maturity of less than one year, these investments are not generally exposed to a significant risk that their value will fluctuate in response to changes in the prevailing levels of market interest rates. The risk is professionally managed at the security and fund level by the Company.

The table below summarizes the Fund's exposure to interest rate risk by remaining term-to-maturity.

2023					
	1 year or less	Over 1 year to 5 years	Over 5 years to 10 years	Over 10 years	Total
Bonds	\$ 6,982	\$ 65,782	\$ 4,491	\$ 1,690	\$ 78,945

2022					
	1 year or less	Over 1 year to 5 years	Over 5 years to 10 years	Over 10 years	Total
Bonds	\$ 9,903	\$ 46,577	\$ 12,821	\$ 1,342	\$ 70,643

As at December 31, 2023, had prevailing interest rates increased or decreased by 1% assuming a parallel shift in the yield curve, with all other variables held constant, net assets attributable to contractholders would have decreased or increased, respectively, by approximately \$2,192 (\$1,921 at December 31, 2022) or approximately 2.7% (2.5% at December 31, 2022). The Fund's sensitivity to interest rate changes was estimated using the weighted average duration of the bond portfolio. In practice, the actual results may differ and the difference could be significant.

E. Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund's greatest concentration of credit risk is in debt securities, such as bonds. The fair value of debt instruments includes consideration of the creditworthiness of the debt issuer. The carrying amount of debt instruments represents the maximum credit risk exposure as at December 31, 2023. The amount of credit risk to any one issuer may be determined from the information reported in the Schedule of Investment Portfolio. The Fund may invest in short-term fixed income securities issued or guaranteed primarily by the Government of Canada or any Canadian provincial government, obligations of Canadian chartered banks or trust companies, and commercial paper with approved credit ratings. The risk of default on these short-term fixed income securities is considered low. The Company monitors credit risk and credit ratings on a regular basis. All new counterparties to financial instruments are subject to an approval process.

Short Term Bond Fund (PIM) SF816

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

E. Credit Risk (continued)

There was no change in fair values of financial liabilities as a result of changes in credit risks during 2023 or 2022.

All transactions in listed securities are settled and paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker.

Credit ratings disclosed below are obtained from independent rating agencies including DBRS, Standard & Poor's, Moody's Investors Service and Fitch Ratings. The lowest rating provided by the agencies is used.

Debt securities by credit rating are as follows:

	2023		2022	
	Percent of Total Bonds (%)	Percent of Total Net Assets Attributable to Contractholders (%)	Percent of Total Bonds (%)	Percent of Total Net Assets Attributable to Contractholders (%)
AAA	7.7	7.5	9.1	8.4
AA	23.2	22.4	41.0	38.0
A	42.3	40.7	24.7	22.9
BBB	25.6	24.7	22.7	21.0
BB and lower	1.1	1.0	2.5	2.3
NR *	0.1	0.1	—	—
Total	100.0	96.4	100.0	92.6

*Bonds disclosed as NR are mortgage backed securities or privately placed bonds or bonds that have not been rated by a rating agency.

F. Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. The Fund Manager moderates this risk through careful selection of securities and other financial instruments within the parameters of the investment strategy. The maximum risk resulting from financial instruments is equivalent to their fair value.

For the Fund, the most significant exposure to other price risk arises from its investment in equity securities. As at December 31, 2023, had the prices on the respective stock exchanges for these securities increased or decreased by 1%, with all other variables held constant, assets would have increased (or decreased) by approximately \$8 (\$12 at December 31, 2022) or approximately 0.0% (0.0% at December 31, 2022) of total net assets attributable to contractholders. In practice, the actual results may differ and the difference could be significant.

Short Term Bond Fund (PIM) SF816

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

G. Fair Value Classification

The following table presents information about the Fund's assets and liabilities measured at fair value on a recurring basis and indicates the fair value hierarchy of the valuation techniques utilized by the Fund to determine such fair value:

	2023			
	Assets and Liabilities Measured at Fair Value			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Bonds	\$ —	\$ 78,945	\$ —	\$ 78,945
Stocks	781	—	—	781
Derivatives	7	35	—	42
Total assets measured at fair value	\$ 788	\$ 78,980	\$ —	\$ 79,768
Liabilities measured at fair value				
Derivatives ⁽¹⁾	\$ 2	\$ —	\$ —	\$ 2
Net assets attributable to contractholders measured at fair value	\$ 786	\$ 78,980	\$ —	\$ 79,766

⁽¹⁾ Excludes collateral pledged to counterparties of \$76.

	2022			
	Assets and Liabilities Measured at Fair Value			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Bonds	\$ —	\$ 70,643	\$ —	\$ 70,643
Stocks	1,160	—	—	1,160
Derivatives	1	—	—	1
Total assets measured at fair value	\$ 1,161	\$ 70,643	\$ —	\$ 71,804
Liabilities measured at fair value				
Derivatives ⁽¹⁾	\$ —	\$ —	\$ —	\$ —
Net assets attributable to contractholders measured at fair value	\$ 1,161	\$ 70,643	\$ —	\$ 71,804

⁽¹⁾ Excludes collateral pledged to counterparties of \$42.

There were no significant transfers between Level 1 and Level 2 during 2023 or 2022.

Short Term Bond Fund (PIM) SF816

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance. Portfolio units are allocated to each category as described in note 3 and are not included on this page.

Net Assets Attributable to Contractholders by Category

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
75/75 guarantee policy	62,519	68,818	74,889	59,622	51,522	657	694	795	645	536
75/100 guarantee policy	205,639	235,692	203,812	211,756	63,206	2,147	2,364	2,153	2,282	656
100/100 guarantee policy	10,008	11,727	13,369	2,557	—	103	116	140	27	—
PS1 75/75 guarantee policy	32,468	61,202	45,220	102,333	11,749	353	637	493	1,134	125
PS1 75/100 guarantee policy	235,665	233,929	186,889	550,041	57,317	2,548	2,421	2,030	6,073	607
PS1 100/100 guarantee policy	6,511	6,511	14,660	5,188	—	70	67	158	57	—
PS2 75/75 guarantee policy	18,086	18,969	19,004	876,446	7,149	227	224	233	10,751	83
PS2 75/100 guarantee policy	89,300	60,278	36,666	5,491	8,657	1,120	713	449	67	100
PS 75/75 guarantee policy	5,846	6,606	6,167	628	—	62	67	66	7	—
PS 75/100 guarantee policy	22,938	13,040	17,633	15,545	5,982	244	132	187	168	62
PPS 75/75 guarantee policy	1,999	2,010	—	—	—	22	21	—	—	—
PPS 75/100 guarantee policy	27,133	26,395	21,749	11,235	2,335	294	272	234	122	24

Net Assets Attributable to Contractholders Per Unit (note 6)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
75/75 guarantee policy	10.50	10.08	10.61	10.82	10.41	0.42	(0.53)
75/100 guarantee policy	10.44	10.03	10.56	10.77	10.37	0.41	(0.53)
100/100 guarantee policy	10.31	9.91	10.45	10.67	—	0.40	(0.54)
PS1 75/75 guarantee policy	10.87	10.40	10.91	11.09	10.63	0.47	(0.51)
PS1 75/100 guarantee policy	10.81	10.35	10.86	11.04	10.59	0.46	(0.51)
PS1 100/100 guarantee policy	10.69	10.24	10.76	10.95	—	0.45	(0.52)
PS2 75/75 guarantee policy	12.54	11.83	12.24	12.27	11.61	0.71	(0.41)
PS2 75/100 guarantee policy	12.54	11.83	12.24	12.27	11.61	0.71	(0.41)
PS 75/75 guarantee policy	10.65	10.17	10.65	10.79	—	0.48	(0.48)
PS 75/100 guarantee policy	10.62	10.14	10.63	10.78	10.32	0.48	(0.49)
PPS 75/75 guarantee policy	10.85	10.33	—	—	—	0.52	(0.44)
PPS 75/100 guarantee policy	10.82	10.30	10.75	10.87	10.37	0.52	(0.45)

Short Term Bond Fund (PIM) SF816

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Fund is offered by The Canada Life Assurance Company.

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

Short Term Bond Fund (PIM) SF816

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

Short Term Bond Fund (PIM) SF816

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in fair value measurements in the notes to the Schedule of Investment Portfolio.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

Short Term Bond Fund (PIM) SF816

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Bonds and Stocks

Bonds and stocks are recorded at fair value determined with reference to closing quoted market prices, where the last traded price falls within the day's bid-ask spread, primarily provided by third party independent pricing sources. Fair values are determined on the basis of the closing price for a security on the recognized exchange on which it is principally traded at each reporting date. In circumstances where the last traded price is not within the bid-ask spread, the Company determines the point when the bid-ask spread that is most representative of fair value based on the specific facts and circumstances.

The fair value of unlisted securities is established using quotations determined by a major dealer in a particular security. Should the quoted value for a security, in the opinion of the Fund Manager, be inaccurate, unreliable, or not readily available, the value of the security is estimated using valuation techniques. Valuation techniques include the market approach (using recent arm's-length market transactions adjusted as necessary and reference to the current market value of another instrument that is substantially the same) and the income approach (discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible).

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Derivatives

Derivatives are classified and measured at fair value. Derivatives are valued using market transactions and other market evidence whenever possible, including market based inputs to models, broker or dealer quotations or alternative pricing sources with reasonable levels of transparency. When models are used, the selection of a particular model to value a derivative depends on the contractual terms of, and specific risks inherent in, the instrument, as well as the availability of pricing information in the market. The Company generally uses similar models to value similar instruments. Valuation models require a variety of inputs, including contractual terms, market prices and rates, yield curves, credit curves, measures volatility, prepayment rates and correlations of such inputs.

f) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

Short Term Bond Fund (PIM) SF816

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

g) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

Interest income on debt securities - included in the change in fair value of such investments and recorded on the accrual basis.

Dividend income - accrued as of the ex-dividend date and recorded on the accrual basis.

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

Miscellaneous income (loss)

Miscellaneous income (loss) generally includes the changes in foreign exchange rates between trade and settlement dates, foreign exchange rates on bank balances, securities lending income, derivative income, and management fee rebates.

h) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Short Term Bond Fund (PIM) SF816

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

i) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

j) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

k) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

l) Income Allocation

Net gain (loss) on investments, which includes dividend income, interest income, realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the net asset value (NAV) per unit.

m) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

n) Transaction Costs

Transaction costs, such as brokerage commissions, incurred in the purchase and sale of securities by the Fund are charged to expenses in the year.

Short Term Bond Fund (PIM) SF816

Notes to the Financial Statements

(in Canadian \$ thousands)

3. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Emperor,
- Flex,
- Generations/Mosaic,
- Generations I,
- Generations II,
- Generations Core,
- Prestige/Prestige Plus, and
- Private Collections.

In addition to the Individual units, units are available for:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

Portfolio units are those units owned by the Asset Allocation Funds. Each Portfolio fund is represented by a separate category.

The categories of units are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

4. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

Short Term Bond Fund (PIM) SF816

Notes to the Financial Statements

(in Canadian \$ thousands)

5. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

6. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

7. DERIVATIVE FINANCIAL INSTRUMENTS

Derivative contracts, including forward currency, futures and equity swap contracts, are valued at the gain or loss that would arise as a result of closing the position at the reporting date. Options are recorded at fair value as at the reporting date. The Fund may use derivative contracts to hedge against losses caused by changes in securities prices, interest rates, exchange rates and/or other risks. The Fund may also use derivative contracts for non-hedging purposes in order to invest indirectly in financial markets or to gain exposure to other currencies, provided the use of such derivatives is consistent with the Fund's investment objectives and strategies. Foreign currency risk and exposure may be direct or indirect and can include all or a portion of the currency exposure of an existing investment or group of investments. Any such gain or loss on derivative contracts is recorded as part of net gain (loss) on investments.

As at the reporting date, the unrealized gain (loss) on derivative contracts is reflected on the Statement of Financial Position of the Fund.

The Fund manages derivative credit risk through collateral arrangements where required. The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are implemented by the Fund regarding the acceptability of types of collateral and the valuation parameters. The Fund Manager monitors the value of the collateral and requests additional collateral when needed.

Short Term Bond Fund (PIM) SF816

Notes to the Financial Statements

(in Canadian \$ thousands)

8. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.
- c) The Fund invests in assets or underlying funds managed by Mackenzie Financial Corporation, which operates as Mackenzie Investments. All investment transactions with the corresponding underlying funds are at quoted market prices.

Short Term Bond Fund (PIM) SF816

Supplemental Information (unaudited)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾

For the years ended December 31	2023	2022	2021	2020	2019
75/75 guarantee policy	1.70	1.74	1.73	1.68	1.66
75/100 guarantee policy	1.76	1.79	1.79	1.72	1.71
100/100 guarantee policy	1.86	1.91	1.88	1.83	—
PS1 75/75 guarantee policy	1.36	1.38	1.39	1.33	1.32
PS1 75/100 guarantee policy	1.41	1.44	1.45	1.38	1.37
PS1 100/100 guarantee policy	1.52	1.57	1.54	1.49	—
PS 75/75 guarantee policy	1.16	1.18	1.17	1.13	—
PS 75/100 guarantee policy	1.21	1.24	1.23	1.19	1.17
PPS 75/75 guarantee policy	0.82	0.83	—	—	—
PPS 75/100 guarantee policy	0.87	0.89	0.88	0.85	0.85

Portfolio Turnover Rate (%) ⁽²⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	93.18	59.21	62.75	54.98	91.55

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
CORPORATE BOND FUND (PIM) SF817

December 31, 2023

Independent Auditor's Report

To the Contractholders of Corporate Bond Fund (PIM) SF817 (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

Corporate Bond Fund (PIM) SF817

(in Canadian \$ thousands)

Fund Manager: Mackenzie Investments

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ 1,150	\$ 3,586
Investment income due and accrued	1,598	1,184
Due from The Canada Life Assurance Company (note 8)	67	284
Due from brokers	—	—
Due from outside parties	—	—
Investments		
Bonds	159,008	134,605
Stocks	3,018	5,574
Investment fund units	—	—
Derivatives (note 7)	227	46
Total investments	162,253	140,225
Total assets	\$ 165,068	\$ 145,279
Liabilities		
Overdrafts	\$ —	\$ —
Due to The Canada Life Assurance Company (note 8)	—	—
Due to brokers	77	—
Due to outside parties	—	—
Derivatives (note 7)	118	229
Total liabilities excluding net assets attributable to contractholders	195	229
Net assets attributable to contractholders	\$ 164,873	\$ 145,050

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 12,673	\$ (14,633)
Miscellaneous income (loss)	67	160
Total income (loss)	12,740	(14,473)
Expenses		
Management fees (note 8)	597	504
Transaction costs	1	4
Withholding taxes	—	1
Other	64	65
Total expenses	662	574
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 12,078	\$ (15,047)

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year		
	\$ 145,050	\$ 157,515
Contractholder deposits	21,063	11,202
Contractholder withdrawals	(13,318)	(8,620)
Increase (decrease) in net assets from operations attributable to contractholders	12,078	(15,047)
Change in net assets attributable to contractholders	19,823	(12,465)
Net assets attributable to contractholders - end of year	\$ 164,873	\$ 145,050

Corporate Bond Fund (PIM) SF817

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 12,078	\$ (15,047)
Adjustments		
Realized (gains) losses	4,722	6,501
Unrealized (gains) losses	(11,160)	13,241
Gross proceeds of disposition of investments	71,551	76,629
Gross payments for the purchase of investments	(87,252)	(89,704)
Change in investment income due and accrued	(414)	(228)
Change in due from/to The Canada Life Assurance Company	217	(189)
Change in due from/to brokers	77	—
Change in due from/to outside parties	—	—
	<u>(10,181)</u>	<u>(8,797)</u>
Financing Activities		
Contractholder deposits	21,063	11,202
Contractholder withdrawals	(13,318)	(8,620)
	<u>7,745</u>	<u>2,582</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	(2,436)	(6,215)
Cash, short-term deposits and overdrafts, beginning of year	3,586	9,801
Cash, short-term deposits and overdrafts, end of year	\$ 1,150	\$ 3,586
Supplementary cash flow information		
Interest income received	\$ 5,537	\$ 4,353
Dividend income received	182	455

Corporate Bond Fund (PIM) SF817

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or Par Value	Average Cost	Fair Value
Canadian Bonds			
Federal Government			
Government of Canada 1.75% 12-01-2053	160,000	113	120
Government of Canada 3.25% 12-01-2033	910,000	879	922
Total Federal Government		992	1,042
Provincial Government			
Province of Ontario 3.75% 12-02-2053	800,000	716	776
Total Provincial Government		716	776
Corporate - Non-convertible			
407 International Inc. 2.59% 05-25-2032	571,000	506	509
407 International Inc. 3.30% 03-27-2045	630,000	509	530
407 International Inc. 3.83% 05-11-2046	1,814,000	2,036	1,653
407 International Inc. 4.22% 02-14-2028	269,000	269	268
407 International Inc. 4.86% 07-31-2053	252,000	252	270
Aeroports de Montreal 3.03% 04-21-2050	620,000	476	496
Aeroports de Montreal 3.36% 04-24-2047	182,000	147	156
Aeroports de Montreal 3.918% 06-12-2045	390,000	351	366
Aeroports de Montreal 6.55% 10-11-2033	17,000	20	20
Algonquin Power & Utilities Corp. 4.09% 02-17-2027	20,000	23	20
Algonquin Power & Utilities Corp. 5.25% 01-18-2082	1,129,000	934	942
Algonquin Power Co. 2.85% 07-15-2031	1,191,000	1,037	1,040
Alimentation Couche-Tard 5.592% 09-25-2030	273,000	273	291
AltaGas Ltd. 2.166% 03-16-2027	141,000	141	131
AltaGas Ltd. 5.25% 01-11-2082	167,000	156	140
AltaGas Ltd. 7.35% 08-17-2082	20,000	20	20
AltaLink LP 3.99% 06-30-2042	1,665,000	1,807	1,562
AltaLink LP 4.692% 11-28-2032	114,000	114	118
AltaLink LP 5.463% 10-11-2055	234,000	234	276
ARC Resources Ltd. 2.354% 03-10-2026	276,000	276	263
ARC Resources Ltd. 3.465% 03-10-2031	680,000	639	626
Artis REIT 5.60% 04-29-2025	200,000	200	195
Athabasca Indigenous Midstream LP 6.069% 02-05-2042	45,158	45	48
Athene Global Funding 3.127% 03-10-2025	194,000	194	189
Bank of Montreal 1.551% 05-28-2026	400,000	371	375
Bank of Montreal 2.077% 06-17-2030	414,000	414	396

Corporate Bond Fund (PIM) SF817

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or Par Value	Average Cost	Fair Value
Canadian Bonds (continued)			
Corporate - Non-convertible (continued)			
Bank of Montreal 3.65% 04-01-2027	1,827,000	1,785	1,782
Bank of Montreal 4.30% 11-26-2025	63,000	63	60
Bank of Montreal 4.309% 06-01-2027	1,199,000	1,188	1,193
Bank of Montreal 4.537% 12-18-2028	501,000	501	504
Bank of Montreal 6.034% 09-07-2033	673,000	669	702
Bank of Montreal 6.534% 10-27-2032	751,000	760	792
Bank of Montreal 7.057% 04-26-2028	295,000	296	296
Bank of Montreal 7.325% 11-26-2082	800,000	800	797
Bell Canada 3.00% 03-17-2031	790,000	673	717
Bell Canada 5.15% 11-14-2028	227,000	227	235
Bell Canada 5.60% 08-11-2053	593,000	591	646
Bell Canada Inc. 5.85% 11-10-2032	1,742,000	1,892	1,893
Brookfield Infrastructure Finance ULC 4.193% 09-11-2028	341,000	392	334
Brookfield Infrastructure Finance ULC 5.616% 11-14-2027	346,000	346	358
Brookfield Residential Properties Inc./Brookfield Residential US Corp. 5.125% 06-15-2029	38,000	38	33
Bruce Power LP 4.99% 12-21-2032	66,000	66	68
CAE Inc. 5.541% 06-12-2028	1,362,000	1,360	1,402
Calgary Airport Authority 3.554% 10-07-2051	467,000	386	405
Calgary Airport Authority 3.554% 10-07-2053	206,000	169	177
Canadian Core Real Estate 3.299% 03-02-2027	217,000	217	204
Canadian Imperial Bank of Commerce 1.10% 01-19-2026	2,070,000	2,026	1,935
Canadian Imperial Bank of Commerce 1.96% 04-21-2031	675,000	675	630
Canadian Imperial Bank of Commerce 4.20% 04-07-2032	207,000	203	202
Canadian Imperial Bank of Commerce 4.375% 10-28-2025	581,000	542	551
Canadian Imperial Bank of Commerce 4.95% 06-29-2027	704,000	709	714
Canadian Imperial Bank of Commerce 5.00% 12-07-2026	179,000	179	181
Canadian Imperial Bank of Commerce 5.05% 10-07-2027	176,000	176	179
Canadian Imperial Bank of Commerce 5.33% 01-20-2033	236,000	236	239
Canadian Imperial Bank of Commerce 5.35% 04-20-2033	216,000	216	219
Canadian Imperial Bank of Commerce 5.935% 07-14-2026	305,000	305	307
Canadian Imperial Bank of Commerce 7.15% 07-28-2082	189,000	189	188
Canadian National Railway Co. 3.00% 02-08-2029	307,000	289	293
Canadian National Railway Co. 4.40% 05-10-2033	790,000	787	799
Canadian National Railway Co. 4.70% 05-10-2053	530,000	541	546
Canadian Natural Resources Ltd. 2.50% 01-17-2028	426,000	425	395
Canadian Pacific Railway Ltd. 2.54% 02-28-2028	483,000	434	453

Corporate Bond Fund (PIM) SF817

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or Par Value	Average Cost	Fair Value
Canadian Bonds (continued)			
Corporate - Non-convertible (continued)			
Canadian Pacific Railway Ltd. 3.15% 03-13-2029	207,000	188	197
Canadian Tire Corp. Ltd. 5.372% 09-16-2030	1,247,000	1,243	1,306
Canadian Utilities Ltd. 4.851% 06-03-2052	136,000	136	141
Canadian Western Bank 1.926% 04-16-2026	332,000	333	313
Canadian Western Bank 3.668% 06-11-2029	150,000	146	149
Canadian Western Bank 3.859% 04-21-2025	324,000	324	319
Canadian Western Bank 5.00% 07-31-2081	43,000	43	33
Canadian Western Bank 5.261% 12-20-2025	125,000	125	126
Canadian Western Bank 5.937% 12-22-2032	101,000	101	101
Capital Power Corp. 3.147% 10-01-2032	1,053,000	979	901
Capital Power Corp. 4.986% 01-23-2026	180,000	192	180
Capital Power Corp. 5.973% 01-25-2034	215,000	215	224
Cascades Inc./Cascades USA Inc. 5.125% 01-15-2025	66,000	66	66
CCL Industries Inc. 3.864% 04-13-2028	187,000	197	181
Cenovus Energy Inc. 3.50% 02-07-2028	443,000	437	427
Cenovus Energy Inc. 3.60% 03-10-2027	52,000	51	51
Central 1 Credit Union 2.391% 06-30-2031	500,000	501	455
Central 1 Credit Union 4.648% 02-07-2028	230,000	230	226
Central 1 Credit Union 5.877% 11-10-2026	166,000	166	170
Choice Properties REIT 2.456% 11-30-2026	118,000	118	111
Choice Properties REIT 2.848% 05-21-2027	601,000	544	568
Choice Properties REIT 3.532% 06-11-2029	510,000	476	482
Choice Properties REIT 5.40% 03-01-2033	501,000	502	514
Choice Properties REIT 5.699% 02-28-2034	266,000	265	279
Coast Capital Savings Federal Credit Union 8.875% 05-02-2033	202,000	202	205
Cogeco Communications Inc. 2.991% 09-22-2031	505,000	501	441
Cogeco Communications Inc. 5.299% 02-16-2033	95,000	95	97
Cologix Data Centers Issuer LLC 4.94% 01-25-2052	16,000	16	15
Cologix Data Centers Issuer LLC 5.68% 01-25-2052	13,000	13	12
Corus Entertainment Inc. 5.00% 05-11-2028	39,000	39	26
Crombie REIT 2.686% 03-31-2028	175,000	175	159
Crombie REIT 3.133% 08-12-2031	104,000	104	89
CU Inc. 4.085% 09-02-2044	1,471,000	1,396	1,390
CU Inc. 4.773% 09-14-2052	154,000	154	162
CU Inc. 5.183% 11-21-2035	120,000	121	128
CU Inc. 5.896% 11-20-2034	305,000	326	343
Curaleaf Holdings Inc. 8.00% 12-15-2026	110,000	141	123

Corporate Bond Fund (PIM) SF817

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or Par Value	Average Cost	Fair Value
Canadian Bonds (continued)			
Corporate - Non-convertible (continued)			
Dollarama Inc. 1.871% 07-08-2026	511,000	455	481
Dollarama Inc. 5.084% 10-27-2025	60,000	60	60
Dollarama Inc. 5.533% 09-26-2028	260,000	260	274
Dream Industrial REIT 1.662% 12-22-2025	289,000	289	272
Dream Industrial REIT 2.057% 06-17-2027	1,098,000	1,098	1,000
Dream Industrial REIT 2.539% 12-07-2026	156,000	156	146
Dream Industrial REIT 3.968% 04-13-2026	74,000	74	73
Dream Industrial REIT 5.383% 03-22-2028	76,000	76	77
Emera Inc. 4.838% 05-02-2030	241,000	228	242
Enbridge Gas Distribution Inc. 3.51% 11-29-2047	168,000	142	142
Enbridge Gas Inc. 2.35% 09-15-2031	200,000	168	176
Enbridge Gas Inc. 3.01% 08-09-2049	258,000	197	198
Enbridge Gas Inc. 3.20% 09-15-2051	1,189,000	1,126	939
Enbridge Gas Inc. 4.55% 08-17-2052	188,000	187	187
Enbridge Gas Inc. 5.70% 10-06-2033	168,000	168	185
Enbridge Inc. 4.90% 05-26-2028	1,316,000	1,305	1,339
Enbridge Inc. 5.375% 09-27-2077	2,361,000	2,394	2,225
Enbridge Inc. 6.625% 04-12-2078	900,000	1,026	888
Enbridge Pipelines Inc. 2.82% 05-12-2031	1,243,000	1,043	1,110
Enbridge Pipelines Inc. 4.33% 02-22-2049	46,000	48	40
Enbridge Pipelines Inc. 5.82% 08-17-2053	715,000	715	782
Energir LP 4.67% 09-27-2032	174,000	174	178
Energir LP 4.83% 06-02-2053	1,170,000	1,176	1,246
EPCOR Utilities Inc. 3.554% 11-27-2047	1,343,000	1,251	1,168
EPCOR Utilities Inc. 4.725% 09-02-2052	236,000	236	247
EPCOR Utilities Inc. 5.326% 10-03-2053	210,000	210	241
Equitable Bank 1.876% 11-26-2025	1,298,000	1,231	1,217
Equitable Bank 3.362% 03-02-2026	172,000	172	165
Fairfax Financial Holdings Ltd. 3.95% 03-03-2031	521,000	522	491
Federation des Caisses Desjardins du Quebec 1.093% 01-21-2026	780,000	780	729
Federation des Caisses Desjardins du Quebec 2.856% 05-26-2030	641,000	646	620
Federation des Caisses Desjardins du Quebec 4.407% 05-19-2027	291,000	291	290
Federation des Caisses Desjardins du Quebec 5.035% 08-23-2032	496,000	496	496
Federation des Caisses Desjardins du Quebec 5.20% 10-01-2025	340,000	340	342
Federation des Caisses Desjardins du Quebec 5.467% 11-17-2028	306,000	306	319
Federation des Caisses Desjardins du Quebec 5.475% 08-16-2028	133,000	133	139
Finning International Inc. 4.445% 05-16-2028	170,000	170	170

Corporate Bond Fund (PIM) SF817

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or Par Value	Average Cost	Fair Value
Canadian Bonds (continued)			
Corporate - Non-convertible (continued)			
First Capital REIT 3.447% 03-01-2028	78,000	69	72
First West Credit Union 9.186% 08-09-2033	184,000	184	195
Ford Credit Canada Co. 6.326% 11-10-2026	280,000	280	287
Ford Credit Canada Co. 6.777% 09-15-2025	400,000	400	409
Ford Credit Canada Co. 7.00% 02-10-2026	1,186,000	1,182	1,222
Fortis Inc. 4.431% 05-31-2029	294,000	294	295
Fortis Inc. 5.677% 11-08-2033	294,000	294	318
FortisAlberta Inc. 4.618% 05-30-2052	127,000	127	130
FortisAlberta Inc. 4.862% 05-26-2053	1,111,000	1,111	1,186
FortisBC Energy Inc. 4.67% 11-28-2052	112,000	112	116
General Motors Financial of Canada Ltd. 1.70% 07-09-2025	1,000,000	905	951
General Motors Financial of Canada Ltd. 5.20% 02-09-2028	531,000	525	537
GFL Environmental Inc. 3.50% 09-01-2028 144A	2,000	2	2
Gibson Energy Inc. 3.60% 09-17-2029	485,000	449	458
Gibson Energy Inc. 5.25% 12-22-2030	198,000	198	170
Gibson Energy Inc. 5.75% 07-12-2033	192,000	192	202
Gibson Energy Inc. 8.70% 07-12-2083	52,000	53	54
Granite REIT Holdings LP 2.194% 08-30-2028	633,000	611	565
Granite REIT Holdings LP 2.378% 12-18-2030	50,000	41	43
Granite REIT Holdings LP 3.062% 06-04-2027	258,000	241	244
Greater Toronto Airports Authority 2.73% 04-03-2029	600,000	560	569
Greater Toronto Airports Authority 2.75% 10-17-2039	1,721,000	1,319	1,408
H&R REIT 3.369% 01-30-2024	468,000	472	467
H&R REIT 4.071% 06-16-2025	58,000	63	57
Home Trust Co. 5.317% 06-13-2024	242,000	242	241
Hydro One Inc. 3.10% 09-15-2051	2,646,000	2,151	2,089
Hydro One Inc. 4.16% 01-27-2033	1,849,000	1,754	1,851
Hydro One Inc. 4.46% 01-27-2053	380,000	380	382
Hyundai Capital Canada Inc. 5.565% 03-08-2028	221,000	226	228
iA Financial Corp. Inc. 5.685% 06-20-2033	150,000	150	154
Intact Financial Corp. 4.125% 03-31-2081	563,000	492	500
Inter Pipeline Ltd. 3.484% 12-16-2026	987,000	999	953
Inter Pipeline Ltd. 3.983% 11-25-2031	370,000	370	338
Inter Pipeline Ltd. 4.232% 06-01-2027	620,000	634	610
Inter Pipeline Ltd. 5.71% 05-29-2030	161,000	161	165
Inter Pipeline Ltd. 5.76% 02-17-2028	156,000	156	161
Inter Pipeline Ltd. 6.875% 03-26-2079	261,000	259	252

Corporate Bond Fund (PIM) SF817

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or Par Value	Average Cost	Fair Value
Canadian Bonds (continued)			
Corporate - Non-convertible (continued)			
Keyera Corp. 3.959% 05-29-2030	406,000	398	386
Keyera Corp. 5.95% 03-10-2081	105,000	105	93
Kruger Packaging Holdings LP 6.00% 06-01-2026	66,000	66	64
Kruger Products Inc. 5.375% 04-09-2029	20,000	20	18
Kruger Products Inc. 6.00% 04-24-2025	122,000	122	119
Laurentian Bank of Canada 4.60% 09-02-2025	302,000	302	299
Laurentian Bank of Canada 5.095% 06-15-2032	788,000	764	751
Loblaw Companies Ltd. 4.488% 12-11-2028	455,000	506	460
Loblaw Companies Ltd. 5.008% 09-13-2032	208,000	208	216
Loblaw Companies Ltd. 5.336% 09-13-2052	678,000	645	736
Lower Mattagami Energy LP 4.854% 10-31-2033	137,000	137	144
Magna International Inc. 4.95% 01-31-2031	208,000	208	214
Manulife Bank of Canada 1.337% 02-26-2026	365,000	365	343
Manulife Financial Corp. 2.237% 05-12-2030	1,292,000	1,247	1,245
Manulife Financial Corp. 5.409% 03-10-2033	790,000	780	808
Manulife Financial Corp. 7.117% 06-19-2082	270,000	270	271
Metro Inc. 3.39% 12-06-2027	737,000	764	717
Metro Inc. 4.657% 02-07-2033	2,066,000	2,042	2,089
National Bank of Canada 1.534% 06-15-2026	60,000	53	56
National Bank of Canada 1.573% 08-18-2026	98,000	98	93
National Bank of Canada 4.05% 08-15-2081	727,000	717	563
National Bank of Canada 4.30% 11-15-2025	532,000	530	502
National Bank of Canada 4.968% 12-07-2026	484,000	484	490
National Bank of Canada 5.023% 02-01-2029	200,000	200	205
National Bank of Canada 5.219% 06-14-2028	446,000	445	459
National Bank of Canada 5.426% 08-16-2032	489,000	489	495
National Bank of Canada 7.50% 11-16-2082	454,000	454	452
North West Redwater Partnership 3.70% 02-23-2043	835,000	690	728
North West Redwater Partnership 4.35% 01-10-2039	600,000	568	576
North West Redwater Partnership/NWR Financing Co. Ltd. 2.80% 06-01-2031	1,382,000	1,276	1,240
North West Redwater Partnership/NWR Financing Co. Ltd. 3.75% 06-01-2051	148,000	119	128
Parkland Corp. of Canada 3.875% 06-16-2026	304,000	304	292
Parkland Corp. of Canada 4.375% 03-26-2029	437,000	437	404
Parkland Corp. of Canada 6.00% 06-23-2028	196,000	195	197
Pembina Pipeline Corp. 3.53% 12-10-2031	1,635,000	1,442	1,493
Pembina Pipeline Corp. 4.02% 03-27-2028	1,192,000	1,262	1,166
Pembina Pipeline Corp. 4.74% 01-21-2047	759,000	683	690

Corporate Bond Fund (PIM) SF817

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or <u>Par Value</u>	Average <u>Cost</u>	Fair <u>Value</u>
Canadian Bonds (continued)			
Corporate - Non-convertible (continued)			
Pembina Pipeline Corp. 4.80% 01-25-2031	150,000	150	127
Pembina Pipeline Corp. 4.81% 03-25-2044	134,000	146	124
Pembina Pipeline Corp. 5.72% 06-22-2026	210,000	210	210
Prologis LP 5.25% 01-15-2031	47,000	46	49
Reliance LP 2.67% 08-01-2028	2,567,000	2,384	2,318
Reliance LP 2.68% 12-01-2027	297,000	297	273
Reliance LP 3.75% 03-15-2026	513,000	495	500
RioCan REIT 1.974% 06-15-2026	352,000	352	328
RioCan REIT 2.829% 11-08-2028	216,000	201	194
RioCan REIT 4.628% 05-01-2029	71,000	71	69
RioCan REIT 5.611% 10-06-2027	124,000	124	126
RioCan REIT 5.962% 10-01-2029	259,000	259	267
Rogers Communications Inc. 3.75% 04-15-2029	300,000	288	289
Rogers Communications Inc. 3.80% 03-01-2027	1,438,000	1,432	1,409
Rogers Communications Inc. 5.00% 12-17-2081	1,418,000	1,318	1,352
Rogers Communications Inc. 5.25% 04-15-2052	624,000	613	620
Rogers Communications Inc. 5.70% 09-21-2028	245,000	245	257
Rogers Communications Inc. 5.90% 09-21-2033	1,662,000	1,656	1,789
Rogers Communications Inc. 6.75% 11-09-2039	432,000	583	494
Royal Bank of Canada 2.14% 11-03-2031	448,000	435	416
Royal Bank of Canada 2.328% 01-28-2027	516,000	465	486
Royal Bank of Canada 2.88% 12-23-2029	1,093,000	1,092	1,066
Royal Bank of Canada 3.369% 09-29-2025	2,060,000	1,973	2,015
Royal Bank of Canada 4.612% 07-26-2027	1,511,000	1,497	1,521
Royal Bank of Canada 4.632% 05-01-2028	276,000	276	278
Royal Bank of Canada 4.642% 01-17-2028	510,000	510	514
Royal Bank of Canada 5.01% 02-01-2033	276,000	276	277
Russel Metals Inc. 5.75% 10-27-2025	232,000	232	232
Sagen MI Canada Inc. 3.261% 03-05-2031	354,000	352	299
Sagen MI Canada Inc. 4.95% 03-24-2081	141,000	141	123
Saputo Inc. 5.492% 11-20-2030	278,000	278	292
Sienna Senior Living Inc. 2.82% 03-31-2027	77,000	77	71
Sun Life Financial Inc. 2.06% 10-01-2035	1,152,000	978	969
Sun Life Financial Inc. 2.58% 05-10-2032	676,000	710	632
Sun Life Financial Inc. 2.80% 11-21-2033	340,000	340	312
Sun Life Financial Inc. 4.78% 08-10-2034	368,000	370	368
Sun Life Financial Inc. 5.50% 07-04-2035	140,000	140	145

Corporate Bond Fund (PIM) SF817

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or Par Value	Average Cost	Fair Value
Canadian Bonds (continued)			
Corporate - Non-convertible (continued)			
Suncor Energy Inc. 3.95% 03-04-2051	653,000	550	546
Suncor Energy Inc. 5.40% 11-17-2026	387,000	386	397
Superior Plus LP 4.25% 05-18-2028	460,000	457	428
Tamarack Valley Energy Ltd. 7.25% 05-10-2027	26,000	24	26
TELUS Corp. 2.85% 11-13-2031	186,000	162	164
TELUS Corp. 3.15% 02-19-2030	142,000	149	132
TELUS Corp. 3.30% 05-02-2029	739,000	771	701
TELUS Corp. 4.95% 03-28-2033	135,000	135	137
Teranet Holdings LP 3.719% 02-23-2029	495,000	495	462
The Bank of Nova Scotia 1.95% 01-10-2025	2,361,000	2,233	2,286
The Bank of Nova Scotia 2.16% 02-03-2025	100,000	95	97
The Bank of Nova Scotia 2.95% 03-08-2027	1,605,000	1,549	1,533
The Bank of Nova Scotia 3.934% 05-03-2032	274,000	274	265
The Bank of Nova Scotia 5.50% 05-08-2026	259,000	259	264
The Bank of Nova Scotia 5.679% 08-02-2033	182,000	182	187
The Bank of Nova Scotia 7.023% 07-27-2082	919,000	914	908
The Empire Life Insurance Co. 3.625% 04-17-2026	387,000	382	302
The Empire Life Insurance Co. 5.503% 01-13-2033	140,000	140	141
The Independent Order of Foresters 2.885% 10-15-2035	255,000	255	217
The Toronto-Dominion Bank 1.888% 03-08-2028	1,538,000	1,498	1,402
The Toronto-Dominion Bank 1.943% 03-13-2025	1,151,000	1,100	1,113
The Toronto-Dominion Bank 2.667% 09-09-2025	132,000	126	128
The Toronto-Dominion Bank 3.06% 01-26-2032	560,000	593	532
The Toronto-Dominion Bank 3.105% 04-22-2030	277,000	273	269
The Toronto-Dominion Bank 4.21% 06-01-2027	1,375,000	1,364	1,365
The Toronto-Dominion Bank 4.34% 01-27-2026	338,000	338	337
The Toronto-Dominion Bank 4.477% 01-18-2028	471,000	471	471
The Toronto-Dominion Bank 4.68% 01-08-2029	2,208,000	2,232	2,233
The Toronto-Dominion Bank 5.376% 10-21-2027	264,000	264	272
The Toronto-Dominion Bank 5.423% 07-10-2026	281,000	281	287
The Toronto-Dominion Bank 5.491% 09-08-2028	220,000	220	230
TMX Group Ltd. 2.016% 02-12-2031	136,000	136	116
Toronto Hydro Corp. 4.61% 06-14-2033	312,000	312	322
Toronto Hydro Corp. 4.95% 10-13-2052	783,000	777	855
Tourmaline Oil Corp. 2.529% 02-12-2029	121,000	121	110
TransCanada PipeLines Ltd. 3.80% 04-05-2027	598,000	644	586
TransCanada PipeLines Ltd. 4.35% 05-12-2026	618,000	618	617

Corporate Bond Fund (PIM) SF817

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or Par Value	Average Cost	Fair Value
Canadian Bonds (continued)			
Corporate - Non-convertible (continued)			
TransCanada PipeLines Ltd. 5.277% 07-15-2030	449,000	449	464
TransCanada PipeLines Ltd. 5.419% 03-10-2026	546,000	546	546
TransCanada PipeLines Ltd. Floating Rate 05-18-2077	1,275,000	1,179	1,166
TransCanada Trust 4.20% 03-04-2081	2,047,000	1,702	1,689
Transcontinental Inc. 2.667% 02-03-2025	481,000	476	464
Vancouver Airport Authority 1.76% 09-20-2030	277,000	277	241
Ventas Canada Finance Ltd. 5.398% 04-21-2028	302,000	302	308
Videotron Ltd. 3.125% 01-15-2031	230,000	230	197
Videotron Ltd. 4.50% 01-15-2030	479,000	480	453
Videotron Ltd./Videotron Ltee. 3.625% 06-15-2028	306,000	306	285
Waste Management of Canada Corp. 2.60% 09-23-2026	997,000	971	955
Total Corporate - Non-convertible		147,768	146,033
Corporate - Convertible			
The Cannabist Company Holdings Inc. 6.00% 06-29-2025 Conv.	13,000	16	13
Total Corporate - Convertible		16	13
Total Canadian Bonds		149,492	147,864
United States Bonds			
Corporate - Non-convertible			
Air Lease Corp. 5.40% 06-01-2028	240,000	238	246
Bank of America Corp. 1.978% 09-15-2027	260,000	256	242
Bank of America Corp. 2.598% 04-04-2029	219,000	219	201
Bank of America Corp. 3.615% 03-16-2028	238,000	238	231
Charter Communications Operating LLC/Charter Communications Operating Capital Corp. 6.15% 11-10-2026	129,000	177	175
DIRECTV Holdings LLC/DIRECTV Financing Co. 5.875% 08-15-2027 144A	21,000	26	26
Exxon Mobil Corp. 3.452% 04-15-2051	1,539,000	1,464	1,606
Glencore Funding LLC 5.40% 05-08-2028 144A	50,000	68	67
Go Daddy Operating Co. LLC/GD Finance Co. Inc. 3.50% 03-01-2029 144A	5,000	6	6
JPMorgan Chase & Co. 1.896% 03-05-2028	599,000	599	554
LGI Homes Inc. 8.75% 12-15-2028 144A	5,000	7	7
Micron Technology Inc. 5.375% 04-15-2028	342,000	460	462
Nestle Holdings Inc. 2.192% 01-26-2029	248,000	248	229

Corporate Bond Fund (PIM) SF817

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or Par Value	Average Cost	Fair Value
United States Bonds (continued)			
Corporate - Non-convertible (continued)			
NextEra Energy Capital Holdings Inc. 1.90% 06-15-2028	147,000	177	173
PepsiCo Inc. 3.90% 07-18-2032	85,000	111	110
Pfizer Investment Enterprises Pte. Ltd. 4.65% 05-19-2030	454,000	611	606
Pfizer Investment Enterprises Pte. Ltd. 4.75% 05-19-2033	139,000	187	185
Tenet Healthcare Corp. 4.375% 01-15-2030	20,000	27	25
The Estee Lauder Companies Inc. 1.95% 03-15-2031	199,000	250	221
The Goldman Sachs Group Inc. 2.013% 02-28-2028	180,000	180	162
The Goldman Sachs Group Inc. 2.599% 11-30-2027	466,000	466	439
T-Mobile USA Inc. 3.75% 04-15-2027	600,000	764	772
T-Mobile USA Inc. 4.95% 03-15-2028	87,000	117	117
T-Mobile USA Inc. 5.20% 01-15-2033	341,000	445	463
Univision Communications Inc. 4.50% 05-01-2029 144A	26,000	32	31
Verizon Communications Inc. Floating Rate 03-20-2026	88,000	110	117
WarnerMedia Holdings Inc. 4.279% 03-15-2032	260,000	314	315
Zoetis Inc. 2.00% 05-15-2030	200,000	220	229
Total Corporate - Non-convertible		8,017	8,017
Total United States Bonds		8,017	8,017
Global Bonds			
Cayman Islands			
Country Garden Holdings Co. Ltd. 2.70% 07-12-2026	200,000	171	22
Kaisa Group Holdings Ltd. 10.50% 09-07-2022 ⁽¹⁾	200,000	168	10
Sunac China Holdings Ltd. 1.00% 09-30-2032	23,754	8	3
Sunac China Holdings Ltd. 6.00% 09-30-2025	19,216	6	3
Sunac China Holdings Ltd. 6.25% 09-30-2026	19,216	6	3
Sunac China Holdings Ltd. 6.50% 09-30-2027	38,433	13	5
Sunac China Holdings Ltd. 6.75% 09-30-2028	57,650	19	6
Sunac China Holdings Ltd. 7.00% 09-30-2029	57,650	19	6
Sunac China Holdings Ltd. 7.25% 09-30-2030	27,086	9	2
Ireland			
AerCap Ireland Capital DAC/AerCap Global Aviation Trust 3.00% 10-29-2028	118,000	137	143

⁽¹⁾ This security was past due as at December 31, 2023. The term-to-maturity for this security is disclosed as 1 year or less in the Interest Rate Risk note within the Notes to the Schedule of Investment Portfolio.

Corporate Bond Fund (PIM) SF817

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or Par Value	Average Cost	Fair Value
Global Bonds (continued)			
Japan			
Renesas Electronics Corp. 2.17% 11-25-2026	219,000	276	266
Jersey			
Heathrow Funding Ltd. 2.694% 10-13-2027	602,000	569	564
Heathrow Funding Ltd. 3.40% 03-08-2028	470,000	476	449
Heathrow Funding Ltd. 3.726% 04-13-2033	271,000	277	245
Heathrow Funding Ltd. 3.782% 09-04-2030	369,000	372	349
Luxembourg			
Aroundtown SA 4.625% 09-18-2025	534,000	545	515
Mexico			
Beclé SAB de CV 2.50% 10-14-2031	244,000	306	260
Netherlands			
NXP BV/NXP Funding LLC/NXP USA Inc. 2.65% 02-15-2032	86,000	110	96
United Kingdom			
Anglian Water Services Financing PLC 4.525% 08-26-2032	185,000	185	180
Total Global Bonds		3,672	3,127
Total Bonds		161,181	159,008
Canadian Common Stock			
Exchange Traded Funds			
Mackenzie Canadian All Corporate Bond Index ETF *	31,000	2,803	2,894
Total Canadian Common Stock		2,803	2,894
Canadian Preferred Stock			
Communication Services			
BCE Inc. 2.75% Preferred	351	5	5
BCE Inc. 3.61% Preferred	2,006	31	33
BCE Inc. 4.13% Preferred	112	2	2

*The issuer of this security is a related company to the issuer of the Fund.

Corporate Bond Fund (PIM) SF817

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or <u>Par Value</u>	Average <u>Cost</u>	Fair <u>Value</u>
Canadian Preferred Stock (continued)			
Consumer Staples			
Loblaw Companies Ltd. 5.30% Preferred	434	11	9
Energy			
TransAlta Corp. 4.027% Preferred	340	6	6
Financials			
Brookfield Corp. 4.80% Preferred Conv.	1,113	28	22
Utilities			
Emera Inc. 4.25% Preferred	107	3	2
Emera Inc. 4.60% Preferred	985	25	17
TransAlta Corp. 2.709% Preferred	970	12	12
Total Canadian Preferred Stock		123	108
Global Preferred Stock			
Bermuda			
Brookfield Renewable Partners LP 5.00% Preferred	869	21	16
Total Global Preferred Stock		21	16
Total Stocks		2,947	3,018

Corporate Bond Fund (PIM) SF817

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, contracts, shares, par value or contract price)

As at December 31, 2023

Schedule of Derivative Contracts

Forward Currency Contracts

Contract Price	Settlement Date	Purchased Currency		Sold Currency		Unrealized Gain (Loss)
		Currency	Value as at December 31	Currency	Value as at December 31	
1.3572	January 11, 2024	Canadian Dollar	1,878	United States Dollar	1,845	33
1.3596	January 11, 2024	Canadian Dollar	865	United States Dollar	848	17
1.3592	January 18, 2024	Canadian Dollar	1,891	United States Dollar	1,855	36
1.3601	January 24, 2024	Canadian Dollar	4,126	United States Dollar	4,044	82
1.3364	February 4, 2024	Canadian Dollar	1,186	United States Dollar	1,178	8
1.3688	February 4, 2024	Canadian Dollar	190	United States Dollar	186	4
1.3408	February 8, 2024	Canadian Dollar	1,598	United States Dollar	1,583	15
1.3395	February 8, 2024	Canadian Dollar	1,183	United States Dollar	1,173	10
1.3398	February 8, 2024	Canadian Dollar	408	United States Dollar	405	3
1.3668	February 15, 2024	Canadian Dollar	100	United States Dollar	97	3
Derivatives - Assets						211
0.7227	January 11, 2024	United States Dollar	719	Canadian Dollar	751	(32)
0.7429	January 18, 2024	United States Dollar	546	Canadian Dollar	555	(9)
0.7303	January 18, 2024	United States Dollar	1,013	Canadian Dollar	1,047	(34)
0.7234	February 15, 2024	United States Dollar	424	Canadian Dollar	442	(18)
0.7229	February 15, 2024	United States Dollar	556	Canadian Dollar	581	(25)
Derivatives - Liabilities						(118)
Total Forward Currency Contracts						93

Futures Contracts

No. of Contracts	Average Contract Price	Futures Contracts	Maturity Date	Notional Amount	Price as at December 31	Unrealized Gain (Loss)
(5)	CAD 145.04	JPN 10YR BOND (OSE) 03-31-2024	March 31, 2024	JPY 733,550	CAD 146.71	16
Derivatives - Assets						16
Total Futures Contracts						16

Total Derivative Instruments at Fair Value

109

Total Investments

164,128

162,135

Corporate Bond Fund (PIM) SF817

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

Introduction

The objective of the Corporate Bond Fund (PIM) SF817 (the Fund) in managing risk is the creation and protection of contractholder value. Risk is inherent in the Fund's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. The process of risk management is critical to the Fund's continuing profitability. The Fund can be exposed to liquidity risk, market risk (which includes currency risk, interest rate risk and other price risk) and credit risk arising from the financial instruments it holds.

A. Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023, and groups the securities by asset type, geographic region and/or market segment. The following sections describe the significant risks that are relevant to the Fund.

To assist with managing risk, The Canada Life Assurance Company (Canada Life or the Company) maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and other regulations.

B. Liquidity Risk

Liquidity risk arises when a fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units by contractholders. The Fund retains sufficient cash and cash equivalent positions to maintain adequate liquidity to meet the obligation to fund daily cash redemptions of their redeemable units.

Some securities are illiquid due to legal restrictions on their resale, the nature of the investment, or simply a lack of interested buyers for a particular security or security type. Certain securities may become less liquid due to changes in market conditions, such as interest rate changes or market volatility, which could impair the ability of a fund to sell such securities quickly.

In accordance with the Fund's policy, the Company monitors the Fund's liquidity positions on a regular basis.

C. Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The classifications used on the Schedule of Investment Portfolio for the financial instruments are based on the country of issue.

Corporate Bond Fund (PIM) SF817

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

C. Currency Risk (continued)

The table below indicates the foreign currencies to which the Fund had significant exposure as at December 31, 2023 in Canadian dollar terms, including the underlying principal amount of forward currency contracts, if any. The table also illustrates the potential impact to the Fund's net assets attributable to contractholders, all other variables held constant, as a result of a 1% change in these currencies relative to the Canadian dollar. In practice, the actual results may differ from this sensitivity analysis and the difference could be significant.

2023

Currency	Investments	Cash, Short-term Deposits and Overdrafts	Total*	Impact on Net Assets Attributable to Contractholders
United States Dollar	\$ 12	\$ 51	\$ 63	\$ 1
Other Currencies	—	(10)	(10)	—
Total	\$ 12	\$ 41	\$ 53	\$ 1
As Percent of Net Assets Attributable to Contractholders			—%	—%

*Includes both monetary and non-monetary instruments

2022

Currency	Investments	Cash, Short-term Deposits and Overdrafts	Total*	Impact on Net Assets Attributable to Contractholders
United States Dollar	\$ (1,100)	\$ 860	\$ (240)	\$ (2)
Other Currencies	—	16	16	—
Total	\$ (1,100)	\$ 876	\$ (224)	\$ (2)
As Percent of Net Assets Attributable to Contractholders			(0.2%)	—%

*Includes both monetary and non-monetary instruments

D. Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund is exposed to the risk that the value of interest-bearing financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. Due to the nature of short-term fixed income securities with a remaining term-to-maturity of less than one year, these investments are not generally exposed to a significant risk that their value will fluctuate in response to changes in the prevailing levels of market interest rates. The risk is professionally managed at the security and fund level by the Company.

The table below summarizes the Fund's exposure to interest rate risk by remaining term-to-maturity.

2023

	1 year or less	Over 1 year to 5 years	Over 5 years to 10 years	Over 10 years	Total
Bonds	\$ 718	\$ 65,430	\$ 50,178	\$ 42,682	\$ 159,008

2022

	1 year or less	Over 1 year to 5 years	Over 5 years to 10 years	Over 10 years	Total
Bonds	\$ 1,082	\$ 52,979	\$ 47,549	\$ 32,995	\$ 134,605

Corporate Bond Fund (PIM) SF817

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

D. Interest Rate Risk (continued)

As at December 31, 2023, had prevailing interest rates increased or decreased by 1% assuming a parallel shift in the yield curve, with all other variables held constant, net assets attributable to contractholders would have decreased or increased, respectively, by approximately \$9,189 (\$8,189 at December 31, 2022) or approximately 5.6% (5.6% at December 31, 2022). The Fund's sensitivity to interest rate changes was estimated using the weighted average duration of the bond portfolio. In practice, the actual results may differ and the difference could be significant.

E. Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund's greatest concentration of credit risk is in debt securities, such as bonds. The fair value of debt instruments includes consideration of the creditworthiness of the debt issuer. The carrying amount of debt instruments represents the maximum credit risk exposure as at December 31, 2023. The amount of credit risk to any one issuer may be determined from the information reported in the Schedule of Investment Portfolio. The Fund may invest in short-term fixed income securities issued or guaranteed primarily by the Government of Canada or any Canadian provincial government, obligations of Canadian chartered banks or trust companies, and commercial paper with approved credit ratings. The risk of default on these short-term fixed income securities is considered low. The Company monitors credit risk and credit ratings on a regular basis. All new counterparties to financial instruments are subject to an approval process.

There was no change in fair values of financial liabilities as a result of changes in credit risks during 2023 or 2022.

All transactions in listed securities are settled and paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker.

Credit ratings disclosed below are obtained from independent rating agencies including DBRS, Standard & Poor's, Moody's Investors Service and Fitch Ratings. The lowest rating provided by the agencies is used.

Debt securities by credit rating are as follows:

	2023		2022	
	Percent of Total Bonds (%)	Percent of Total Net Assets Attributable to Contractholders (%)	Percent of Total Bonds (%)	Percent of Total Net Assets Attributable to Contractholders (%)
AAA	—	—	0.5	0.6
AA	2.1	2.0	2.0	1.8
A	40.1	38.7	42.4	39.3
BBB	49.1	47.4	48.1	44.6
BB and lower	8.5	8.2	6.6	6.1
NR *	0.2	0.2	0.4	0.3
Total	100.0	96.5	100.0	92.7

*Bonds disclosed as NR are mortgage backed securities or privately placed bonds or bonds that have not been rated by a rating agency.

Corporate Bond Fund (PIM) SF817

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

F. Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. The Fund Manager moderates this risk through careful selection of securities and other financial instruments within the parameters of the investment strategy. The maximum risk resulting from financial instruments is equivalent to their fair value.

For the Fund, the most significant exposure to other price risk arises from its investment in equity securities. As at December 31, 2023, had the prices on the respective stock exchanges for these securities increased or decreased by 1%, with all other variables held constant, assets would have increased (or decreased) by approximately \$30 (\$56 at December 31, 2022) or approximately 0.0% (0.0% at December 31, 2022) of total net assets attributable to contractholders. In practice, the actual results may differ and the difference could be significant.

G. Fair Value Classification

The following table presents information about the Fund's assets and liabilities measured at fair value on a recurring basis and indicates the fair value hierarchy of the valuation techniques utilized by the Fund to determine such fair value:

	2023			
	Assets and Liabilities Measured at Fair Value			
<u>Assets measured at fair value</u>	Level 1	Level 2	Level 3	Total
Bonds	\$ —	\$ 158,968	\$ 40	\$ 159,008
Stocks	3,018	—	—	3,018
Derivatives	16	211	—	227
Total assets measured at fair value	\$ 3,034	\$ 159,179	\$ 40	\$ 162,253
<u>Liabilities measured at fair value</u>				
Derivatives ⁽¹⁾	\$ —	\$ 118	\$ —	\$ 118
Net assets attributable to contractholders measured at fair value	\$ 3,034	\$ 159,061	\$ 40	\$ 162,135

⁽¹⁾ Excludes collateral pledged to counterparties of \$86.

	2022			
	Assets and Liabilities Measured at Fair Value			
<u>Assets measured at fair value</u>	Level 1	Level 2	Level 3	Total
Bonds	\$ —	\$ 134,561	\$ 44	\$ 134,605
Stocks	5,574	—	—	5,574
Derivatives	9	37	—	46
Total assets measured at fair value	\$ 5,583	\$ 134,598	\$ 44	\$ 140,225
<u>Liabilities measured at fair value</u>				
Derivatives ⁽¹⁾	\$ —	\$ 229	\$ —	\$ 229
Net assets attributable to contractholders measured at fair value	\$ 5,583	\$ 134,369	\$ 44	\$ 139,996

⁽¹⁾ Excludes collateral pledged to counterparties of \$244.

There were no significant transfers between Level 1 and Level 2 during 2023 or 2022.

Corporate Bond Fund (PIM) SF817

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

G. Fair Value Classification (continued)

The following table presents additional information about assets measured at fair value on a recurring basis and for which the Fund has utilized Level 3 inputs to determine fair value:

	2023	2022
	Bonds	Bonds
Balance, beginning of year	\$ 44	\$ 16
Total gain (loss) included in net assets from operations attributable to contractholders	(4)	—
Purchases	—	28
Sales	—	—
Settlements	—	—
Transfers into Level 3	—	—
Transfers out of Level 3	—	—
Balance, end of year	\$ 40	\$ 44
Total gain (loss) for the year included in net gain (loss) on investments for Level 3 assets held at the end of year	\$ (4)	\$ —

Corporate Bond Fund (PIM) SF817

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance. Portfolio units are allocated to each category as described in note 3 and are not included on this page.

Net Assets Attributable to Contractholders by Category

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
75/75 guarantee policy	485,836	505,797	610,228	539,880	218,968	5,325	5,220	7,085	6,515	2,488
75/100 guarantee policy	924,547	788,281	896,264	884,502	392,671	10,017	8,051	10,310	10,586	4,431
100/100 guarantee policy	177,674	61,584	53,424	59,940	42,581	1,892	619	606	708	475
PS1 75/75 guarantee policy	520,380	470,089	451,339	423,183	158,962	6,047	5,115	5,493	5,322	1,872
PS1 75/100 guarantee policy	1,139,226	676,904	665,112	607,922	383,755	13,087	7,289	8,020	7,583	4,487
PS1 100/100 guarantee policy	99,180	7,036	9,284	22,225	929	1,120	75	110	274	11
PS2 75/75 guarantee policy	85,300	55,786	58,477	79,526	5,952	1,172	706	815	1,127	78
PS2 75/100 guarantee policy	242,080	259,025	310,460	353,933	333,828	3,328	3,281	4,328	5,018	4,362
PS2 100/100 guarantee policy	19,687	—	1,075	1,094	—	270	—	15	16	—
PS 75/75 guarantee policy	63,592	32,076	37,785	49,588	20,170	663	313	413	560	213
PS 75/100 guarantee policy	68,775	57,759	50,358	52,092	21,328	713	561	548	586	225
PS 100/100 guarantee policy	—	—	—	—	6,269	—	—	—	—	66
PPS 75/75 guarantee policy	148,833	31,119	12,408	23,915	—	1,600	312	138	274	—
PPS 75/100 guarantee policy	141,288	146,465	115,165	82,748	55,034	1,510	1,459	1,278	945	586
PPS 100/100 guarantee policy	—	—	—	276	21,515	—	—	—	3	228

Net Assets Attributable to Contractholders Per Unit (note 6)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
75/75 guarantee policy	10.96	10.32	11.61	12.07	11.36	0.64	(1.29)
75/100 guarantee policy	10.83	10.21	11.50	11.97	11.28	0.62	(1.29)
100/100 guarantee policy	10.65	10.05	11.34	11.82	11.16	0.60	(1.29)
PS1 75/75 guarantee policy	11.62	10.88	12.17	12.58	11.78	0.74	(1.29)
PS1 75/100 guarantee policy	11.49	10.77	12.06	12.47	11.69	0.72	(1.29)
PS1 100/100 guarantee policy	11.29	10.60	11.89	12.33	11.57	0.69	(1.29)
PS2 75/75 guarantee policy	13.74	12.66	13.93	14.17	13.06	1.08	(1.27)
PS2 75/100 guarantee policy	13.75	12.67	13.94	14.18	13.07	1.08	(1.27)
PS2 100/100 guarantee policy	13.74	—	13.93	14.17	—	1.08	—
PS 75/75 guarantee policy	10.42	9.76	10.92	11.29	10.57	0.66	(1.16)
PS 75/100 guarantee policy	10.36	9.71	10.88	11.26	10.55	0.65	(1.17)
PS 100/100 guarantee policy	—	—	—	—	10.53	—	—
PPS 75/75 guarantee policy	10.75	10.01	11.14	11.45	—	0.74	(1.13)
PPS 75/100 guarantee policy	10.69	9.96	11.10	11.42	10.64	0.73	(1.14)
PPS 100/100 guarantee policy	—	—	—	11.37	10.62	—	—

Corporate Bond Fund (PIM) SF817

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Fund is offered by The Canada Life Assurance Company.

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

Corporate Bond Fund (PIM) SF817

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

Corporate Bond Fund (PIM) SF817

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in fair value measurements in the notes to the Schedule of Investment Portfolio.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

Corporate Bond Fund (PIM) SF817

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Bonds and Stocks

Bonds and stocks are recorded at fair value determined with reference to closing quoted market prices, where the last traded price falls within the day's bid-ask spread, primarily provided by third party independent pricing sources. Fair values are determined on the basis of the closing price for a security on the recognized exchange on which it is principally traded at each reporting date. In circumstances where the last traded price is not within the bid-ask spread, the Company determines the point when the bid-ask spread that is most representative of fair value based on the specific facts and circumstances.

The fair value of unlisted securities is established using quotations determined by a major dealer in a particular security. Should the quoted value for a security, in the opinion of the Fund Manager, be inaccurate, unreliable, or not readily available, the value of the security is estimated using valuation techniques. Valuation techniques include the market approach (using recent arm's-length market transactions adjusted as necessary and reference to the current market value of another instrument that is substantially the same) and the income approach (discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible).

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Derivatives

Derivatives are classified and measured at fair value. Derivatives are valued using market transactions and other market evidence whenever possible, including market based inputs to models, broker or dealer quotations or alternative pricing sources with reasonable levels of transparency. When models are used, the selection of a particular model to value a derivative depends on the contractual terms of, and specific risks inherent in, the instrument, as well as the availability of pricing information in the market. The Company generally uses similar models to value similar instruments. Valuation models require a variety of inputs, including contractual terms, market prices and rates, yield curves, credit curves, measures volatility, prepayment rates and correlations of such inputs.

f) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

Corporate Bond Fund (PIM) SF817

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

g) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

Interest income on debt securities - included in the change in fair value of such investments and recorded on the accrual basis.

Dividend income - accrued as of the ex-dividend date and recorded on the accrual basis.

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

Miscellaneous income (loss)

Miscellaneous income (loss) generally includes the changes in foreign exchange rates between trade and settlement dates, foreign exchange rates on bank balances, securities lending income, derivative income, and management fee rebates.

h) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Corporate Bond Fund (PIM) SF817

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

i) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

j) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

k) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

l) Income Allocation

Net gain (loss) on investments, which includes dividend income, interest income, realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the net asset value (NAV) per unit.

m) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

n) Transaction Costs

Transaction costs, such as brokerage commissions, incurred in the purchase and sale of securities by the Fund are charged to expenses in the year.

Corporate Bond Fund (PIM) SF817

Notes to the Financial Statements

(in Canadian \$ thousands)

3. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Emperor,
- Flex,
- Generations/Mosaic,
- Generations I,
- Generations II,
- Generations Core,
- Prestige/Prestige Plus, and
- Private Collections.

In addition to the Individual units, units are available for:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

Portfolio units are those units owned by the Asset Allocation Funds. Each Portfolio fund is represented by a separate category.

The categories of units, and the various levels within each, are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

4. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

Corporate Bond Fund (PIM) SF817

Notes to the Financial Statements

(in Canadian \$ thousands)

5. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

6. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

The NAV per unit for group contractholders has not been shown because it will vary for each sub-class within the group contractholder class based on negotiated expense levels and other factors.

7. DERIVATIVE FINANCIAL INSTRUMENTS

Derivative contracts, including forward currency, futures and equity swap contracts, are valued at the gain or loss that would arise as a result of closing the position at the reporting date. Options are recorded at fair value as at the reporting date. The Fund may use derivative contracts to hedge against losses caused by changes in securities prices, interest rates, exchange rates and/or other risks. The Fund may also use derivative contracts for non-hedging purposes in order to invest indirectly in financial markets or to gain exposure to other currencies, provided the use of such derivatives is consistent with the Fund's investment objectives and strategies. Foreign currency risk and exposure may be direct or indirect and can include all or a portion of the currency exposure of an existing investment or group of investments. Any such gain or loss on derivative contracts is recorded as part of net gain (loss) on investments.

As at the reporting date, the unrealized gain (loss) on derivative contracts is reflected on the Statement of Financial Position of the Fund.

The Fund manages derivative credit risk through collateral arrangements where required. The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are implemented by the Fund regarding the acceptability of types of collateral and the valuation parameters. The Fund Manager monitors the value of the collateral and requests additional collateral when needed.

Corporate Bond Fund (PIM) SF817

Notes to the Financial Statements

(in Canadian \$ thousands)

8. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.
- c) The Fund invests in assets or underlying funds managed by Mackenzie Financial Corporation, which operates as Mackenzie Investments. All investment transactions with the corresponding underlying funds are at quoted market prices.

Corporate Bond Fund (PIM) SF817

Supplemental Information *(unaudited)*

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾

For the years ended December 31	2023	2022	2021	2020	2019
75/75 guarantee policy	2.18	2.18	2.18	2.16	2.16
75/100 guarantee policy	2.29	2.29	2.29	2.27	2.28
100/100 guarantee policy	2.46	2.45	2.46	2.43	2.44
PS1 75/75 guarantee policy	1.61	1.61	1.61	1.59	1.59
PS1 75/100 guarantee policy	1.72	1.72	1.72	1.70	1.71
PS1 100/100 guarantee policy	1.88	1.89	1.89	1.86	1.86
PS 75/75 guarantee policy	1.63	1.63	1.63	1.61	1.61
PS 75/100 guarantee policy	1.74	1.73	1.74	1.72	1.72
PS 100/100 guarantee policy	—	—	—	—	1.88
PPS 75/75 guarantee policy	1.05	1.04	1.06	1.04	—
PPS 75/100 guarantee policy	1.16	1.16	1.16	1.15	1.15
PPS 100/100 guarantee policy	—	—	—	1.35	1.32

Portfolio Turnover Rate (%) ⁽²⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	47.74	54.49	60.92	34.61	32.05

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
LONG TERM BOND FUND (PIM) SF818

December 31, 2023

Independent Auditor's Report

To the Contractholders of Long Term Bond Fund (PIM) SF818 (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

Long Term Bond Fund (PIM) SF818

(in Canadian \$ thousands)

Fund Manager: The Canada Life Assurance Company

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ 24	\$ 520
Investment income due and accrued	212	192
Due from The Canada Life Assurance Company (note 7)	—	90
Due from brokers	—	—
Due from outside parties	—	—
Investments		
Bonds	37,142	33,583
Stocks	—	—
Investment fund units	—	—
Total investments	37,142	33,583
Total assets	\$ 37,378	\$ 34,385
Liabilities		
Overdrafts	\$ —	\$ —
Due to The Canada Life Assurance Company (note 7)	10	—
Due to brokers	—	—
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	10	—
Net assets attributable to contractholders	\$ 37,368	\$ 34,385

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 3,623	\$ (8,655)
Miscellaneous income (loss)	8	15
Total income (loss)	3,631	(8,640)
Expenses		
Management fees (note 7)	20	26
Transaction costs	—	—
Withholding taxes	—	—
Other	2	3
Total expenses	22	29
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 3,609	\$ (8,669)

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year	\$ 34,385	\$ 38,877
Contractholder deposits	6,430	8,284
Contractholder withdrawals	(7,056)	(4,107)
Increase (decrease) in net assets from operations attributable to contractholders	3,609	(8,669)
Change in net assets attributable to contractholders	2,983	(4,492)
Net assets attributable to contractholders - end of year	\$ 37,368	\$ 34,385

Long Term Bond Fund (PIM) SF818

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 3,609	\$ (8,669)
Adjustments		
Add back amortization of premium (discount)	(4)	(12)
Realized (gains) losses	2,068	1,817
Unrealized (gains) losses	(4,274)	8,140
Gross proceeds of disposition of investments	19,133	15,797
Gross payments for the purchase of investments	(20,482)	(20,885)
Change in investment income due and accrued	(20)	(22)
Change in due from/to The Canada Life Assurance Company	100	(97)
Change in due from/to brokers	—	—
Change in due from/to outside parties	—	—
	<u>130</u>	<u>(3,931)</u>
Financing Activities		
Contractholder deposits	6,430	8,284
Contractholder withdrawals	(7,056)	(4,107)
	<u>(626)</u>	<u>4,177</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	(496)	246
Cash, short-term deposits and overdrafts, beginning of year	520	274
Cash, short-term deposits and overdrafts, end of year	\$ 24	\$ 520
Supplementary cash flow information		
Interest income received	\$ 1,386	\$ 1,267

Long Term Bond Fund (PIM) SF818

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or <u>Par Value</u>	Average <u>Cost</u>	Fair <u>Value</u>
Canadian Bonds			
Federal Government			
Government of Canada 1.75% 12-01-2053	1,265,000	898	951
Government of Canada 2.00% 12-01-2051	1,485,000	1,386	1,195
Government of Canada 2.75% 12-01-2048	590,000	647	560
Government of Canada 2.75% 12-01-2055	860,000	771	811
Government of Canada 2.75% 12-01-2064	206,000	273	195
Government of Canada 3.50% 12-01-2045	360,000	403	384
Government of Canada 4.00% 06-01-2041	615,000	673	689
Government of Canada 5.00% 06-01-2037	175,000	210	211
Labrador Island Link Funding Trust 3.85% 12-01-2053	150,000	181	149
Total Federal Government		5,442	5,145
Provincial Government			
Hydro-Quebec 2.10% 02-15-2060	375,000	293	247
Hydro-Quebec 4.00% 02-15-2055	175,000	245	177
Hydro-Quebec 5.00% 02-15-2050	115,000	120	134
Hydro-Quebec 6.50% 02-15-2035	75,000	88	93
Province of Alberta 2.95% 06-01-2052	200,000	155	165
Province of Alberta 3.05% 12-01-2048	550,000	540	463
Province of Alberta 3.10% 06-01-2050	530,000	495	450
Province of Alberta 3.30% 12-01-2046	305,000	314	270
Province of Alberta 3.45% 12-01-2043	190,000	210	174
Province of Alberta 4.45% 12-01-2054	160,000	159	174
Province of British Columbia 2.75% 06-18-2052	230,000	221	184
Province of British Columbia 2.80% 06-18-2048	200,000	204	162
Province of British Columbia 2.95% 06-18-2050	300,000	317	249
Province of British Columbia 3.20% 06-18-2044	160,000	136	141
Province of British Columbia 4.25% 12-18-2053	140,000	139	148
Province of British Columbia 4.30% 06-18-2042	250,000	294	259
Province of British Columbia 4.95% 06-18-2040	160,000	170	179
Province of British Columbia 5.40% 06-18-2035	180,000	217	205
Province of Manitoba 2.05% 09-05-2052	250,000	242	165
Province of Manitoba 3.20% 03-05-2050	300,000	346	256
Province of Manitoba 3.40% 09-05-2048	100,000	108	88
Province of Manitoba 4.65% 03-05-2040	325,000	408	346
Province of New Brunswick 3.05% 08-14-2050	225,000	273	187
Province of New Brunswick 3.55% 06-03-2043	260,000	231	239

Long Term Bond Fund (PIM) SF818

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or Par Value	Average Cost	Fair Value
Canadian Bonds (continued)			
Provincial Government (continued)			
Province of New Brunswick 5.00% 08-14-2054	125,000	125	146
Province of Newfoundland and Labrador 2.65% 10-17-2050	140,000	134	103
Province of Newfoundland and Labrador 4.50% 04-17-2037	150,000	153	154
Province of Newfoundland and Labrador 4.65% 10-17-2040	155,000	159	161
Province of Nova Scotia 3.15% 12-01-2051	220,000	229	187
Province of Nova Scotia 4.40% 06-01-2042	135,000	184	140
Province of Nova Scotia 4.75% 12-01-2054	70,000	70	78
Province of Ontario 1.90% 12-02-2051	505,000	405	333
Province of Ontario 2.55% 12-02-2052	700,000	556	535
Province of Ontario 2.65% 12-02-2050	915,000	838	717
Province of Ontario 2.80% 06-02-2048	800,000	742	650
Province of Ontario 2.90% 06-02-2049	705,000	690	582
Province of Ontario 2.90% 12-02-2046	1,100,000	975	916
Province of Ontario 3.45% 06-02-2045	950,000	1,042	871
Province of Ontario 3.50% 06-02-2043	780,000	796	724
Province of Ontario 3.75% 12-02-2053	920,000	849	893
Province of Ontario 4.15% 12-02-2054	260,000	252	271
Province of Ontario 4.60% 06-02-2039	300,000	317	322
Province of Ontario 4.65% 06-02-2041	540,000	696	582
Province of Ontario 4.70% 06-02-2037	575,000	703	621
Province of Ontario 5.60% 06-02-2035	165,000	206	191
Province of Prince Edward Island 2.65% 12-01-2051	100,000	106	76
Province of Prince Edward Island 4.65% 11-19-2037	90,000	92	95
Province of Quebec 2.85% 12-01-2053	660,000	602	538
Province of Quebec 3.10% 12-01-2051	920,000	904	791
Province of Quebec 3.50% 12-01-2045	760,000	809	702
Province of Quebec 3.50% 12-01-2048	730,000	777	673
Province of Quebec 4.25% 12-01-2043	545,000	654	561
Province of Quebec 4.40% 12-01-2055	685,000	707	748
Province of Quebec 5.00% 12-01-2038	325,000	360	363
Province of Quebec 5.00% 12-01-2041	635,000	792	714
Province of Quebec 5.75% 12-01-2036	400,000	545	474
Province of Saskatchewan 3.10% 06-02-2050	225,000	217	192
Province of Saskatchewan 3.30% 06-02-2048	180,000	200	159
Province of Saskatchewan 3.75% 03-05-2054	100,000	118	96
Province of Saskatchewan 3.90% 06-02-2045	135,000	125	132
Province of Saskatchewan 4.20% 12-02-2054	110,000	109	115

Long Term Bond Fund (PIM) SF818

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or <u>Par Value</u>	Average <u>Cost</u>	Fair <u>Value</u>
Canadian Bonds (continued)			
Provincial Government (continued)			
Province of Saskatchewan 5.00% 03-05-2037	95,000	104	105
Total Provincial Government		23,267	20,866
Municipal Government			
City of Montreal 3.15% 12-01-2036	285,000	264	257
City of Montreal 4.40% 12-01-2043	135,000	135	137
City of Ottawa 2.50% 05-11-2051	110,000	100	80
City of Toronto 2.15% 08-25-2040	145,000	135	109
City of Toronto 2.80% 11-22-2049	105,000	81	81
City of Toronto 2.90% 04-29-2051	135,000	103	107
City of Toronto 4.70% 06-10-2041	95,000	95	100
Total Municipal Government		913	871
Corporate - Non-convertible			
407 International Inc. 3.83% 05-11-2046	150,000	155	137
407 International Inc. 4.86% 07-31-2053	115,000	115	123
407 International Inc. 5.96% 12-03-2035	70,000	78	80
Aeroports de Montreal 5.17% 09-17-2035	105,000	109	112
Aeroports de Montreal 5.472% 04-16-2040	75,000	99	84
AltaLink LP 4.054% 11-21-2044	180,000	193	170
AltaLink LP 5.463% 10-11-2055	135,000	136	159
Bell Canada 3.50% 09-30-2050	100,000	86	78
Bell Canada 5.60% 08-11-2053	55,000	55	60
Bell Canada 6.10% 03-16-2035	145,000	173	159
Bell Canada Inc. 4.45% 02-27-2047	110,000	95	101
British Columbia Ferry Services Inc. 2.794% 10-15-2049	71,000	73	54
British Columbia Ferry Services Inc. 4.289% 04-28-2044	95,000	105	93
British Columbia Ferry Services Inc. 5.581% 01-11-2038	50,000	54	56
Brookfield Infrastructure Finance ULC 5.439% 04-25-2034	95,000	95	97
Bruce Power LP 4.132% 06-21-2033	150,000	158	144
Calgary Airport Authority 3.341% 10-07-2038	200,000	191	176
Calgary Airport Authority 3.554% 10-07-2053	95,000	80	82
Canadian National Railway Co. 3.60% 02-08-2049	81,000	75	70
Canadian National Railway Co. 3.60% 07-31-2048	110,000	91	95
Canadian National Railway Co. 3.95% 09-22-2045	120,000	119	111

Long Term Bond Fund (PIM) SF818

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or Par Value	Average Cost	Fair Value
Canadian Bonds (continued)			
Corporate - Non-convertible (continued)			
Canadian National Railway Co. 4.70% 05-10-2053	60,000	60	62
Carleton University 3.264% 07-05-2061	100,000	100	76
Choice Properties REIT 5.699% 02-28-2034	225,000	225	236
CU Inc. 3.548% 11-22-2047	153,000	154	132
CU Inc. 3.763% 11-19-2046	85,000	67	76
CU Inc. 3.95% 11-23-2048	115,000	106	106
CU Inc. 4.543% 10-24-2041	200,000	221	201
CU Inc. 5.088% 09-20-2053	70,000	70	78
CU Inc. 5.556% 10-30-2037	25,000	27	28
Enbridge Gas Distribution Inc. 5.21% 02-25-2036	135,000	138	142
Enbridge Gas Inc. 4.55% 08-17-2052	95,000	95	95
Enbridge Pipelines Inc. 4.33% 02-22-2049	150,000	167	132
Enbridge Pipelines Inc. 5.33% 04-06-2040	135,000	155	136
Enbridge Pipelines Inc. 5.82% 08-17-2053	30,000	30	33
Energir LP 4.83% 06-02-2053	120,000	120	128
EPCOR Utilities Inc. 3.287% 06-28-2051	40,000	40	33
EPCOR Utilities Inc. 5.326% 10-03-2053	180,000	183	207
Fair Hydro Trust 3.52% 05-15-2038	315,000	351	292
FortisAlberta Inc. 4.80% 10-27-2050	107,000	114	113
FortisBC Energy Inc. 2.82% 08-09-2049	75,000	52	56
FortisBC Energy Inc. 3.67% 04-09-2046	67,000	69	59
Greater Toronto Airports Authority 2.75% 10-17-2039	70,000	72	57
Greater Toronto Airports Authority 3.15% 10-05-2051	115,000	113	95
Greater Toronto Airports Authority 5.30% 02-25-2041	150,000	180	167
Greater Toronto Airports Authority 6.47% 02-02-2034	90,000	117	105
Health Montreal Collective LP 6.721% 09-30-2049	148,453	202	170
Hydro One Inc. 3.63% 06-25-2049	50,000	43	44
Hydro One Inc. 3.91% 02-23-2046	170,000	149	157
Hydro One Inc. 4.39% 09-26-2041	185,000	198	183
Hydro One Inc. 4.46% 01-27-2053	75,000	72	75
Hydro One Inc. 4.59% 10-09-2043	180,000	178	182
Hydro One Inc. 4.85% 11-30-2054	75,000	75	81
Hydro One Inc. 5.36% 05-20-2036	30,000	30	33
Hydro One Inc. 6.35% 01-31-2034	120,000	159	139
Hydro-Quebec 4.00% 02-15-2063	225,000	221	231
Inter Pipeline Ltd. 6.59% 02-09-2034	140,000	140	151
Loblaw Companies Ltd. 5.336% 09-13-2052	185,000	191	201

Long Term Bond Fund (PIM) SF818

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or Par Value	Average Cost	Fair Value
Canadian Bonds (continued)			
Corporate - Non-convertible (continued)			
Loblaw Companies Ltd. 5.90% 01-18-2036	207,000	244	224
Metro Inc. 5.03% 12-01-2044	100,000	110	103
Metro Inc. 5.97% 10-15-2035	120,000	160	133
Montreal Port Authority 3.24% 03-22-2051	60,000	60	49
Municipal Finance Authority of British Columbia 2.50% 09-27-2041	225,000	191	178
NAV CANADA 3.534% 02-23-2046	110,000	115	98
North West Redwater Partnership 3.65% 06-01-2035	130,000	112	119
North West Redwater Partnership 4.35% 01-10-2039	155,000	142	149
North West Redwater Partnership/NWR Financing Co. Ltd. 3.75% 06-01-2051	130,000	119	112
Pembina Pipeline Corp. 4.75% 03-26-2048	95,000	85	86
Pembina Pipeline Corp. 4.81% 03-25-2044	105,000	91	97
Province of Nova Scotia 4.90% 06-01-2035	80,000	87	87
PSP Capital Inc. 4.15% 06-01-2033	175,000	174	180
Rogers Communications Inc. 6.56% 03-22-2041	100,000	110	113
Ryerson University 3.542% 05-04-2061	185,000	185	152
South Coast British Columbia Transportation Authority 3.15% 11-16-2048	147,000	148	121
TELUS Corp. 3.95% 02-16-2050	100,000	109	82
TELUS Corp. 4.10% 04-05-2051	120,000	118	101
TELUS Corp. 4.40% 04-01-2043	250,000	231	225
TELUS Corp. 4.85% 04-05-2044	125,000	126	119
TELUS Corp. 5.95% 09-08-2053	115,000	114	128
Toronto Hydro Corp. 4.95% 10-13-2052	90,000	90	98
Toronto Hydro Corp. 5.54% 05-21-2040	130,000	140	147
TransCanada PipeLines Ltd. 4.33% 09-16-2047	90,000	74	78
TransCanada PipeLines Ltd. 4.55% 11-15-2041	155,000	162	141
TransCanada PipeLines Ltd. 8.05% 02-17-2039	59,000	93	75
Union Gas Ltd. 3.59% 11-22-2047	90,000	92	77
University of Ottawa 6.28% 04-15-2043	100,000	119	121
Vancouver Airport Authority 2.874% 10-18-2049	170,000	133	134
Total Corporate - Non-convertible		10,753	10,260
Total Canadian Bonds		40,375	37,142
Total Bonds		40,375	37,142
Total Investments		40,375	37,142

Long Term Bond Fund (PIM) SF818

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

Introduction

The objective of the Long Term Bond Fund (PIM) SF818 (the Fund) in managing risk is the creation and protection of contractholder value. Risk is inherent in the Fund's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. The process of risk management is critical to the Fund's continuing profitability. The Fund can be exposed to liquidity risk, market risk (which includes currency risk, interest rate risk and other price risk) and credit risk arising from the financial instruments it holds.

A. Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023, and groups the securities by asset type, geographic region and/or market segment. The following sections describe the significant risks that are relevant to the Fund.

To assist with managing risk, The Canada Life Assurance Company (Canada Life or the Company) maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and other regulations.

B. Liquidity Risk

Liquidity risk arises when a fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units by contractholders. The Fund retains sufficient cash and cash equivalent positions to maintain adequate liquidity to meet the obligation to fund daily cash redemptions of their redeemable units.

Some securities are illiquid due to legal restrictions on their resale, the nature of the investment, or simply a lack of interested buyers for a particular security or security type. Certain securities may become less liquid due to changes in market conditions, such as interest rate changes or market volatility, which could impair the ability of a fund to sell such securities quickly.

In accordance with the Fund's policy, the Company monitors the Fund's liquidity positions on a regular basis.

C. Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund is exposed to the risk that the value of interest-bearing financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. Due to the nature of short-term fixed income securities with a remaining term-to-maturity of less than one year, these investments are not generally exposed to a significant risk that their value will fluctuate in response to changes in the prevailing levels of market interest rates. The risk is professionally managed at the security and fund level by the Company.

The table below summarizes the Fund's exposure to interest rate risk by remaining term-to-maturity.

2023					
	1 year or less	Over 1 year to 5 years	Over 5 years to 10 years	Over 10 years	Total
Bonds	\$ —	\$ —	\$ 324	\$ 36,818	\$ 37,142

2022					
	1 year or less	Over 1 year to 5 years	Over 5 years to 10 years	Over 10 years	Total
Bonds	\$ —	\$ —	\$ 1,082	\$ 32,501	\$ 33,583

Long Term Bond Fund (PIM) SF818

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

C. Interest Rate Risk (continued)

As at December 31, 2023, had prevailing interest rates increased or decreased by 1% assuming a parallel shift in the yield curve, with all other variables held constant, net assets attributable to contractholders would have decreased or increased, respectively, by approximately \$5,570 (\$5,062 at December 31, 2022) or approximately 14.9% (14.7% at December 31, 2022). The Fund's sensitivity to interest rate changes was estimated using the weighted average duration of the bond portfolio. In practice, the actual results may differ and the difference could be significant.

D. Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund's greatest concentration of credit risk is in debt securities, such as bonds. The fair value of debt instruments includes consideration of the creditworthiness of the debt issuer. The carrying amount of debt instruments represents the maximum credit risk exposure as at December 31, 2023. The amount of credit risk to any one issuer may be determined from the information reported in the Schedule of Investment Portfolio. The Fund may invest in short-term fixed income securities issued or guaranteed primarily by the Government of Canada or any Canadian provincial government, obligations of Canadian chartered banks or trust companies, and commercial paper with approved credit ratings. The risk of default on these short-term fixed income securities is considered low. The Company monitors credit risk and credit ratings on a regular basis. All new counterparties to financial instruments are subject to an approval process.

There was no change in fair values of financial liabilities as a result of changes in credit risks during 2023 or 2022.

All transactions in listed securities are settled and paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker.

Credit ratings disclosed below are obtained from independent rating agencies including DBRS, Standard & Poor's, Moody's Investors Service and Fitch Ratings. The lowest rating provided by the agencies is used.

Debt securities by credit rating are as follows:

	2023		2022	
	Percent of Total Bonds (%)	Percent of Total Net Assets Attributable to Contractholders (%)	Percent of Total Bonds (%)	Percent of Total Net Assets Attributable to Contractholders (%)
AAA	1.4	1.4	1.3	1.3
AA	45.7	45.5	40.1	39.2
A	43.4	43.2	48.8	47.6
BBB	9.5	9.4	9.8	9.5
Total	100.0	99.5	100.0	97.6

Long Term Bond Fund (PIM) SF818

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

E. Fair Value Classification

The following table presents information about the Fund's assets measured at fair value on a recurring basis and indicates the fair value hierarchy of the valuation techniques utilized by the Fund to determine such fair value:

<u>Assets measured at fair value</u>	2023			
	Assets Measured at Fair Value			
	Level 1	Level 2	Level 3	Total
Bonds	\$ —	\$ 37,142	\$ —	\$ 37,142
Total assets measured at fair value	\$ —	\$ 37,142	\$ —	\$ 37,142

<u>Assets measured at fair value</u>	2022			
	Assets Measured at Fair Value			
	Level 1	Level 2	Level 3	Total
Bonds	\$ —	\$ 33,583	\$ —	\$ 33,583
Total assets measured at fair value	\$ —	\$ 33,583	\$ —	\$ 33,583

There were no significant transfers between Level 1 and Level 2 during 2023 or 2022.

Long Term Bond Fund (PIM) SF818

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance. Portfolio units are allocated to each category as described in note 3 and are not included on this page.

Net Assets Attributable to Contractholders by Category

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
75/75 guarantee policy	14,293	20,211	22,927	38,854	67,699	154	203	300	544	866
75/100 guarantee policy	32,523	41,385	56,397	138,837	195,683	344	409	728	1,920	2,475
100/100 guarantee policy	9,963	12,575	17,984	28,510	43,850	104	122	229	389	548
PS1 75/75 guarantee policy	4,671	4,961	8,592	23,833	33,423	53	53	118	348	443
PS1 75/100 guarantee policy	28,287	31,826	37,600	65,516	75,837	318	332	509	945	994
PS1 100/100 guarantee policy	—	—	—	3,192	10,788	—	—	—	45	140
PS2 75/75 guarantee policy	1,454	1,477	1,499	1,523	28,879	20	18	24	25	425
PS2 75/100 guarantee policy	—	—	25,692	40,593	57,913	—	—	404	668	852

Net Assets Attributable to Contractholders Per Unit (note 6)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
75/75 guarantee policy	10.78	10.04	13.09	14.01	12.79	0.74	(3.05)
75/100 guarantee policy	10.59	9.89	12.91	13.83	12.65	0.70	(3.02)
100/100 guarantee policy	10.40	9.72	12.71	13.65	12.50	0.68	(2.99)
PS1 75/75 guarantee policy	11.43	10.59	13.72	14.60	13.25	0.84	(3.13)
PS1 75/100 guarantee policy	11.23	10.42	13.53	14.42	13.11	0.81	(3.11)
PS1 100/100 guarantee policy	—	—	—	14.24	12.97	—	—
PS2 75/75 guarantee policy	13.51	12.32	15.72	16.45	14.71	1.19	(3.40)
PS2 75/100 guarantee policy	—	—	15.71	16.45	14.70	—	—

Long Term Bond Fund (PIM) SF818

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Fund is offered by The Canada Life Assurance Company.

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

Long Term Bond Fund (PIM) SF818

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

Long Term Bond Fund (PIM) SF818

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in fair value measurements in the notes to the Schedule of Investment Portfolio.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

Long Term Bond Fund (PIM) SF818

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Bonds

Bonds are recorded at fair value determined with reference to closing quoted market prices, where the last traded price falls within the day's bid-ask spread, primarily provided by third party independent pricing sources. Fair values are determined on the basis of the closing price for a security on the recognized exchange on which it is principally traded at each reporting date. In circumstances where the last traded price is not within the bid-ask spread, the Company determines the point when the bid-ask spread that is most representative of fair value based on the specific facts and circumstances.

The fair value of unlisted securities is established using quotations determined by a major dealer in a particular security. Should the quoted value for a security, in the opinion of the Fund Manager, be inaccurate, unreliable, or not readily available, the value of the security is estimated using valuation techniques. Valuation techniques include the market approach (using recent arm's-length market transactions adjusted as necessary and reference to the current market value of another instrument that is substantially the same) and the income approach (discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible).

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

Interest income on debt securities - included in the change in fair value of such investments and recorded on the accrual basis.

Long Term Bond Fund (PIM) SF818

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

Miscellaneous income (loss)

Miscellaneous income (loss) generally includes the changes in foreign exchange rates between trade and settlement dates, foreign exchange rates on bank balances, securities lending income, derivative income, and management fee rebates.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

Long Term Bond Fund (PIM) SF818

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

k) Income Allocation

Net gain (loss) on investments, which includes interest income, realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the net asset value (NAV) per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

m) Transaction Costs

Transaction costs, such as brokerage commissions, incurred in the purchase and sale of securities by the Fund are charged to expenses in the year.

Long Term Bond Fund (PIM) SF818

Notes to the Financial Statements

(in Canadian \$ thousands)

3. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Emperor,
- Flex,
- Generations/Mosaic,
- Generations I,
- Generations II,
- Generations Core,
- Prestige/Prestige Plus, and
- Private Collections.

In addition to the Individual units, units are available for:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

Portfolio units are those units owned by the Asset Allocation Funds. Each Portfolio fund is represented by a separate category.

The categories of units, and the various levels within each, are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

Long Term Bond Fund (PIM) SF818

Notes to the Financial Statements

(in Canadian \$ thousands)

4. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

5. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

6. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

Long Term Bond Fund (PIM) SF818

Notes to the Financial Statements

(in Canadian \$ thousands)

7. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.
- c) The Fund invests in assets or underlying funds managed by the Company. All investment transactions with the corresponding underlying funds are at quoted market prices.

Long Term Bond Fund (PIM) SF818

Supplemental Information *(unaudited)*

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾

For the years ended December 31	2023	2022	2021	2020	2019
75/75 guarantee policy	2.18	2.17	2.17	2.14	2.15
75/100 guarantee policy	2.35	2.34	2.35	2.30	2.32
100/100 guarantee policy	2.52	2.51	2.51	2.47	2.48
PS1 75/75 guarantee policy	1.61	1.61	1.62	1.58	1.59
PS1 75/100 guarantee policy	1.78	1.77	1.77	1.74	1.76
PS1 100/100 guarantee policy	—	—	—	1.92	1.92

Portfolio Turnover Rate (%) ⁽²⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	55.07	44.69	56.32	40.39	23.40

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
NORTH AMERICAN HIGH YIELD BOND FUND (MF) SF819

December 31, 2023

Independent Auditor's Report

To the Contractholders of North American High Yield Bond Fund (MF) SF819 (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

North American High Yield Bond Fund (MF) SF819

(in Canadian \$ thousands)

Fund Manager: Mackenzie Investments

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ 412	\$ —
Investment income due and accrued	—	—
Due from The Canada Life Assurance Company (note 8)	153	—
Due from brokers	—	17
Due from outside parties	—	—
Investments		
Investment fund units (note 3)	30,887	26,680
Total investments	30,887	26,680
Total assets	\$ 31,452	\$ 26,697
Liabilities		
Overdrafts	\$ —	\$ 37
Due to The Canada Life Assurance Company (note 8)	—	17
Due to brokers	68	—
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	68	54
Net assets attributable to contractholders	\$ 31,384	\$ 26,643

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 2,667	\$ (2,643)
Miscellaneous income (loss)	—	—
Total income (loss)	2,667	(2,643)
Expenses		
Management fees (note 8)	478	419
Other	60	51
Total expenses	538	470
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 2,129	\$ (3,113)

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year	\$ 26,643	\$ 27,439
Contractholder deposits	7,932	5,064
Contractholder withdrawals	(5,320)	(2,747)
Increase (decrease) in net assets from operations attributable to contractholders	2,129	(3,113)
Change in net assets attributable to contractholders	4,741	(796)
Net assets attributable to contractholders - end of year	\$ 31,384	\$ 26,643

North American High Yield Bond Fund (MF) SF819

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 2,129	\$ (3,113)
Adjustments		
Realized (gains) losses	521	426
Unrealized (gains) losses	(1,474)	3,792
Gross proceeds of disposition of investments	4,151	4,607
Gross payments for the purchase of investments	(5,691)	(6,547)
Distribution income of underlying mutual fund	(1,714)	(1,575)
Change in due from/to The Canada Life Assurance Company	(170)	28
Change in due from/to brokers	85	(54)
	<u>(2,163)</u>	<u>(2,436)</u>
Financing Activities		
Contractholder deposits	7,932	5,064
Contractholder withdrawals	(5,320)	(2,747)
	<u>2,612</u>	<u>2,317</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	449	(119)
Cash, short-term deposits and overdrafts, beginning of year	<u>(37)</u>	<u>82</u>
Cash, short-term deposits and overdrafts, end of year	<u>\$ 412</u>	<u>\$ (37)</u>

North American High Yield Bond Fund (MF) SF819

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units)

As at December 31, 2023

	<u>No. of Units</u>	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units			
Mackenzie North American Corporate Bond Fund Series S *	3,778,866	33,359	30,887
Total Investments		33,359	30,887

Top 25 Holdings

Security Description	% of Total
Mackenzie Global Sustainable High Yield Bond Fund Series R *	3.01%
Mackenzie Global High Yield Fixed Income ETF *	1.88%
Keyera Corp. 6.875% 06-13-2029	1.13%
Inter Pipeline Ltd. 6.875% 03-26-2079	1.09%
Enbridge Inc. 5.375% 09-27-2077	1.01%
Videotron Ltd./Videotron Ltee. 3.625% 06-15-2028	1.00%
Northleaf Private Credit II LP MI 15 *	0.93%
TransCanada PipeLines Ltd. Floating Rate 05-18-2077	0.90%
Federative Republic of Brazil 10.00% 01-01-2027	0.80%
Enbridge Inc. 8.747% 01-15-2084	0.79%
Rogers Communications Inc. 5.25% 03-15-2082 144A	0.77%
Go Daddy Operating Co. LLC/GD Finance Co. Inc. 3.50% 03-01-2029 144A	0.75%
Sagard Credit Partners II LP *	0.73%
Source Energy Services Ltd. 10.50% 03-15-2025	0.73%
Algonquin Power & Utilities Corp. 5.25% 01-18-2082	0.67%
Chevron USA Inc. 2.343% 08-12-2050	0.66%
Fair Isaac Corp. 4.00% 06-15-2028 144A	0.65%
Lamb Weston Holdings Inc. 4.375% 01-31-2032	0.65%
The Toronto-Dominion Bank 5.75% 10-31-2027	0.65%
Pembina Pipeline Corp. 4.80% 01-25-2031	0.64%
Baytex Energy Corp. 8.50% 04-30-2030 144A	0.63%
Videotron Ltd. 3.125% 01-15-2031	0.63%
Sealed Air Corp. 5.00% 04-15-2029 144A	0.61%
Uber Technologies Inc. 8.00% 11-01-2026 144A	0.61%
Centene Corp. 3.375% 02-15-2030	0.60%

*The issuer of this security is a related company to the issuer of the Fund.

North American High Yield Bond Fund (MF) SF819

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance. Portfolio units are allocated to each category as described in note 4 and are not included on this page.

Net Assets Attributable to Contractholders by Category

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
75/75 guarantee policy	288,447	272,864	262,030	209,684	118,228	3,548	3,131	3,396	2,668	1,434
75/100 guarantee policy	774,274	644,192	622,296	504,684	328,146	9,327	7,258	7,943	6,341	3,941
100/100 guarantee policy	105,196	56,326	39,389	32,406	30,453	1,245	625	496	402	362
PS1 75/75 guarantee policy	205,174	150,552	204,627	131,397	83,320	2,654	1,809	2,766	1,736	1,045
PS1 75/100 guarantee policy	505,911	505,332	454,835	310,587	301,064	6,477	6,016	6,099	4,076	3,754
PS1 100/100 guarantee policy	129,364	47,114	29,688	9,954	9,879	1,627	552	392	129	122
PS2 75/75 guarantee policy	6,638	5,961	7,728	30,193	—	104	85	122	457	—
PS2 75/100 guarantee policy	47,933	48,394	48,499	66,549	70,625	751	691	765	1,007	996
PS2 100/100 guarantee policy	8,745	5,330	5,440	5,554	5,673	137	76	86	84	80
PS 75/75 guarantee policy	20,319	23,153	18,413	12,062	—	226	238	213	136	—
PS 75/100 guarantee policy	154,059	186,502	50,467	13,096	6,862	1,685	1,897	578	147	73
PS 100/100 guarantee policy	337	341	2,137	—	—	4	3	24	—	—
PPS 75/75 guarantee policy	25,812	31,253	13,271	8,792	—	293	328	156	100	—
PPS 75/100 guarantee policy	103,697	67,530	30,056	7,463	13,725	1,171	705	352	85	148

Net Assets Attributable to Contractholders Per Unit (note 7)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
75/75 guarantee policy	12.30	11.47	12.96	12.72	12.13	0.83	(1.49)
75/100 guarantee policy	12.05	11.27	12.76	12.56	12.01	0.78	(1.49)
100/100 guarantee policy	11.84	11.09	12.59	12.41	11.88	0.75	(1.50)
PS1 75/75 guarantee policy	12.94	12.01	13.52	13.22	12.54	0.93	(1.51)
PS1 75/100 guarantee policy	12.80	11.90	13.41	13.12	12.47	0.90	(1.51)
PS1 100/100 guarantee policy	12.57	11.71	13.21	12.95	12.33	0.86	(1.50)
PS2 75/75 guarantee policy	15.68	14.29	15.78	15.14	—	1.39	(1.49)
PS2 75/100 guarantee policy	15.68	14.29	15.78	15.13	14.10	1.39	(1.49)
PS2 100/100 guarantee policy	15.68	14.29	15.78	15.14	14.11	1.39	(1.49)
PS 75/75 guarantee policy	11.10	10.30	11.57	11.29	—	0.80	(1.27)
PS 75/100 guarantee policy	10.94	10.17	11.46	11.22	10.66	0.77	(1.29)
PS 100/100 guarantee policy	10.84	10.10	11.40	—	—	0.74	(1.30)
PPS 75/75 guarantee policy	11.37	10.50	11.75	11.42	—	0.87	(1.25)
PPS 75/100 guarantee policy	11.29	10.44	11.70	11.38	10.75	0.85	(1.26)

North American High Yield Bond Fund (MF) SF819

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The North American High Yield Bond Fund (MF) SF819 (the Fund) is offered by The Canada Life Assurance Company (Canada Life or the Company).

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

North American High Yield Bond Fund (MF) SF819

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

North American High Yield Bond Fund (MF) SF819

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in note 9 on Financial Instrument Risk Management.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

North American High Yield Bond Fund (MF) SF819

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Investment Fund Units

Investment fund units are recorded at fair value, which is the closing net asset value (NAV) per unit of the underlying fund.

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

North American High Yield Bond Fund (MF) SF819

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

North American High Yield Bond Fund (MF) SF819

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

k) Income Allocation

Net gain (loss) on investments, which includes realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the NAV per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

3. INVESTMENT FUND UNITS

Investment fund units of the Fund invest solely in underlying mutual funds.

As the Fund's assets are invested in underlying investment funds, the Fund indirectly pays management fees and operating expenses of the underlying funds. All such charges are included in the management expense ratio of the segregated funds.

Distributions of income from the underlying investment funds are shown as net gain (loss) on investments on the Statement of Comprehensive Income.

Investment activity of the underlying fund indirectly exposes the Fund to financial risk. See note 9 on Financial Instrument Risk Management.

Investments in unconsolidated structured entities

The Company has determined that the Fund meets the definition of an investment entity and as such, accounts for its holdings in unlisted open-ended investment funds at FVTPL. The Company has concluded that the underlying funds in which the Fund invests, but do not consolidate, meet the definition of structured entities because: (i) the voting rights in the underlying funds are not dominant rights in deciding who controls them; (ii) each underlying fund's activities are restricted by its prospectus; and (iii) the underlying funds have narrow and well-defined objectives to provide investment opportunities to investors.

North American High Yield Bond Fund (MF) SF819

Notes to the Financial Statements

(in Canadian \$ thousands)

4. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Emperor,
- Flex,
- Generations/Mosaic,
- Generations I,
- Generations II,
- Generations Core,
- Prestige/Prestige Plus, and
- Private Collections.

In addition to the Individual units, units are available for:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

Portfolio units are those units owned by the Asset Allocation Funds. Each Portfolio fund is represented by a separate category.

The categories of units, and the various levels within each, are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

North American High Yield Bond Fund (MF) SF819

Notes to the Financial Statements

(in Canadian \$ thousands)

5. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

6. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

7. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

North American High Yield Bond Fund (MF) SF819

Notes to the Financial Statements

(in Canadian \$ thousands)

8. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.
- c) The Fund invests in assets or underlying funds managed by Mackenzie Financial Corporation, which operates as Mackenzie Investments. All investment transactions with the corresponding underlying funds are at quoted market prices.

North American High Yield Bond Fund (MF) SF819

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT

a) Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023. The following sections describe the significant risks that are relevant to the Fund.

To assist with managing risk, the Fund Manager maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and securities regulations. Financial statements for the underlying funds, which include discussions about their respective risk exposure, are available upon request.

b) Liquidity Risk

Liquidity risk arises when a Fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units. As the Fund primarily invests all of its net assets in the underlying funds, liquidity risk is mitigated by the underlying funds' ability to meet the obligation to fund daily cash redemptions of their redeemable units/shares. In addition, the underlying funds retain sufficient cash and cash equivalent positions to maintain adequate liquidity.

c) Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The Fund's investments in all underlying funds are denominated in Canadian dollars. However, the Fund is indirectly exposed to currency risk to the extent that the investments of the underlying funds are denominated or traded in a foreign currency.

d) Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund does not directly hold any interest-bearing financial instruments. The Fund is indirectly exposed to the risk that the value of interest-bearing financial instruments held by the underlying funds will fluctuate due to changes in the prevailing levels of market interest rates.

e) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund has no direct exposure to credit risk. The greatest indirect concentration of credit risk is in debt securities, such as bonds, held by underlying funds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer.

f) Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. For the instruments held by the Fund, maximum risk of loss is equivalent to their fair value. The Fund Manager moderates this risk through a careful selection of underlying funds within the parameters of the investment strategy.

g) Fair Value Classification

Investment Fund Units are recorded at fair value, which is the closing NAV per unit of the underlying fund. This valuation is considered to be a Level 1 classification.

North American High Yield Bond Fund (MF) SF819

Supplemental Information *(unaudited)*

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾

For the years ended December 31	2023	2022	2021	2020	2019
75/75 guarantee policy	2.29	2.29	2.30	2.26	2.24
75/100 guarantee policy	2.57	2.57	2.58	2.54	2.52
100/100 guarantee policy	2.74	2.73	2.74	2.70	2.69
PS1 75/75 guarantee policy	1.88	1.88	1.88	1.83	1.82
PS1 75/100 guarantee policy	1.99	1.99	1.99	1.94	1.93
PS1 100/100 guarantee policy	2.16	2.15	2.15	2.11	2.10
PS 75/75 guarantee policy	1.73	1.72	1.74	1.70	—
PS 75/100 guarantee policy	2.01	2.01	2.00	1.98	1.96
PS 100/100 guarantee policy	2.19	2.18	2.19	—	—
PPS 75/75 guarantee policy	1.32	1.31	1.32	1.28	—
PPS 75/100 guarantee policy	1.43	1.42	1.43	1.39	1.38

Unsubsidized Management Expense Ratio (%) ⁽²⁾

PS1 75/75 guarantee policy	1.88	1.88	1.88	1.86	1.84
PS1 75/100 guarantee policy	1.99	1.99	1.99	1.97	1.95
PS1 100/100 guarantee policy	2.16	2.15	2.15	2.14	2.12
PPS 75/75 guarantee policy	1.32	1.31	1.32	1.31	—
PPS 75/100 guarantee policy	1.43	1.42	1.43	1.42	1.40

Portfolio Turnover Rate (%) ⁽³⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	14.41	17.54	14.99	17.87	20.80

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The Company has waived a portion of the fees for the Preferred Series 1 and Preferred Partner Series guarantee policies. There is no obligation for the Company to continue waiving these fees and it may cease to do so at any time without notice.

(3) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
REAL RETURN BOND FUND (PIM) SF820

December 31, 2023

Independent Auditor's Report

To the Contractholders of Real Return Bond Fund (PIM) SF820 (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

Real Return Bond Fund (PIM) SF820

(in Canadian \$ thousands)

Fund Manager: The Canada Life Assurance Company

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ 140	\$ 511
Investment income due and accrued	119	106
Due from The Canada Life Assurance Company (note 7)	4	68
Due from brokers	—	—
Due from outside parties	—	—
Investments		
Bonds	68,923	61,440
Stocks	—	—
Investment fund units	—	—
Total investments	68,923	61,440
Total assets	\$ 69,186	\$ 62,125
Liabilities		
Overdrafts	\$ —	\$ —
Due to The Canada Life Assurance Company (note 7)	—	—
Due to brokers	—	—
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	—	—
Net assets attributable to contractholders	\$ 69,186	\$ 62,125

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 1,662	\$ (9,646)
Miscellaneous income (loss)	43	58
Total income (loss)	1,705	(9,588)
Expenses		
Management fees (note 7)	12	16
Transaction costs	—	—
Withholding taxes	—	—
Other	1	2
Total expenses	13	18
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 1,692	\$ (9,606)

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year		
	\$ 62,125	\$ 66,736
Contractholder deposits	10,968	9,926
Contractholder withdrawals	(5,599)	(4,931)
Increase (decrease) in net assets from operations attributable to contractholders	1,692	(9,606)
Change in net assets attributable to contractholders	7,061	(4,611)
Net assets attributable to contractholders - end of year	\$ 69,186	\$ 62,125

Real Return Bond Fund (PIM) SF820

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 1,692	\$ (9,606)
Adjustments		
Add back amortization of premium (discount)	(1,736)	(3,073)
Realized (gains) losses	185	72
Unrealized (gains) losses	1,352	13,923
Gross proceeds of disposition of investments	3,428	8,058
Gross payments for the purchase of investments	(10,712)	(14,449)
Change in investment income due and accrued	(13)	(12)
Change in due from/to The Canada Life Assurance Company	64	(69)
Change in due from/to brokers	—	—
Change in due from/to outside parties	—	—
	<u>(5,740)</u>	<u>(5,156)</u>
Financing Activities		
Contractholder deposits	10,968	9,926
Contractholder withdrawals	(5,599)	(4,931)
	<u>5,369</u>	<u>4,995</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	(371)	(161)
Cash, short-term deposits and overdrafts, beginning of year	511	672
Cash, short-term deposits and overdrafts, end of year	\$ 140	\$ 511
Supplementary cash flow information		
Interest income received	\$ 1,424	\$ 1,255

Real Return Bond Fund (PIM) SF820

Schedule of Investment Portfolio

(in Canadian \$ thousands, except number of units, shares or par value)

As at December 31, 2023

	No. of Units, Shares or Par Value	Average Cost	Fair Value
Canadian Bonds			
Federal Government			
Government of Canada 0.25% 12-01-2054 Real Return	1,995,000	1,865	1,663
Government of Canada 0.50% 12-01-2050 Real Return	6,890,000	7,878	6,723
Government of Canada 1.25% 12-01-2047 Real Return	6,715,000	9,401	8,196
Government of Canada 1.50% 12-01-2044 Real Return	6,765,000	10,344	9,189
Government of Canada 2.00% 12-01-2041 Real Return	5,690,000	9,600	8,630
Government of Canada 3.00% 12-01-2036 Real Return	4,700,000	9,135	8,485
Government of Canada 4.00% 12-01-2031 Real Return	4,825,000	10,725	10,040
Government of Canada 4.25% 12-01-2026 Real Return	3,575,000	7,271	7,002
Total Federal Government		66,219	59,928
Provincial Government			
Province of Ontario 2.00% 12-01-2036 Real Return	2,980,000	4,436	4,187
Province of Quebec 3.25% 12-01-2036 Real Return	806,000	1,315	1,202
Province of Quebec 4.25% 12-01-2031 Real Return	909,000	1,781	1,720
Province of Quebec 4.50% 12-01-2026 Real Return	994,000	1,931	1,886
Total Provincial Government		9,463	8,995
Total Canadian Bonds		75,682	68,923
Total Bonds		75,682	68,923
Total Investments		75,682	68,923

Real Return Bond Fund (PIM) SF820

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

Introduction

The objective of the Real Return Bond Fund (PIM) SF820 (the Fund) in managing risk is the creation and protection of contractholder value. Risk is inherent in the Fund's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. The process of risk management is critical to the Fund's continuing profitability. The Fund can be exposed to liquidity risk, market risk (which includes currency risk, interest rate risk and other price risk) and credit risk arising from the financial instruments it holds.

A. Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023, and groups the securities by asset type, geographic region and/or market segment. The following sections describe the significant risks that are relevant to the Fund.

To assist with managing risk, The Canada Life Assurance Company (Canada Life or the Company) maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and other regulations.

B. Liquidity Risk

Liquidity risk arises when a fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units by contractholders. The Fund retains sufficient cash and cash equivalent positions to maintain adequate liquidity to meet the obligation to fund daily cash redemptions of their redeemable units.

Some securities are illiquid due to legal restrictions on their resale, the nature of the investment, or simply a lack of interested buyers for a particular security or security type. Certain securities may become less liquid due to changes in market conditions, such as interest rate changes or market volatility, which could impair the ability of a fund to sell such securities quickly.

In accordance with the Fund's policy, the Company monitors the Fund's liquidity positions on a regular basis.

C. Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund is exposed to the risk that the value of interest-bearing financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. Due to the nature of short-term fixed income securities with a remaining term-to-maturity of less than one year, these investments are not generally exposed to a significant risk that their value will fluctuate in response to changes in the prevailing levels of market interest rates. The risk is professionally managed at the security and fund level by the Company.

The table below summarizes the Fund's exposure to interest rate risk by remaining term-to-maturity.

2023					
	1 year or less	Over 1 year to 5 years	Over 5 years to 10 years	Over 10 years	Total
Bonds	\$ —	\$ 8,888	\$ 11,761	\$ 48,274	\$ 68,923

2022					
	1 year or less	Over 1 year to 5 years	Over 5 years to 10 years	Over 10 years	Total
Bonds	\$ —	\$ 7,522	\$ 10,326	\$ 43,592	\$ 61,440

Real Return Bond Fund (PIM) SF820

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

C. Interest Rate Risk (continued)

As at December 31, 2023, had prevailing interest rates increased or decreased by 1% assuming a parallel shift in the yield curve, with all other variables held constant, net assets attributable to contractholders would have decreased or increased, respectively, by approximately \$4,673 (\$4,504 at December 31, 2022) or approximately 6.8% (7.2% at December 31, 2022). The Fund's sensitivity to interest rate changes was estimated using the weighted average duration of the bond portfolio. In practice, the actual results may differ and the difference could be significant.

D. Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund's greatest concentration of credit risk is in debt securities, such as bonds. The fair value of debt instruments includes consideration of the creditworthiness of the debt issuer. The carrying amount of debt instruments represents the maximum credit risk exposure as at December 31, 2023. The amount of credit risk to any one issuer may be determined from the information reported in the Schedule of Investment Portfolio. The Fund may invest in short-term fixed income securities issued or guaranteed primarily by the Government of Canada or any Canadian provincial government, obligations of Canadian chartered banks or trust companies, and commercial paper with approved credit ratings. The risk of default on these short-term fixed income securities is considered low. The Company monitors credit risk and credit ratings on a regular basis. All new counterparties to financial instruments are subject to an approval process.

There was no change in fair values of financial liabilities as a result of changes in credit risks during 2023 or 2022.

All transactions in listed securities are settled and paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker.

Credit ratings disclosed below are obtained from independent rating agencies including DBRS, Standard & Poor's, Moody's Investors Service and Fitch Ratings. The lowest rating provided by the agencies is used.

Debt securities by credit rating are as follows:

	2023		2022	
	Percent of Total Bonds (%)	Percent of Total Net Assets Attributable to Contractholders (%)	Percent of Total Bonds (%)	Percent of Total Net Assets Attributable to Contractholders (%)
AA	93.9	93.6	93.7	92.7
A	6.1	6.1	6.3	6.2
Total	100.0	99.7	100.0	98.9

Real Return Bond Fund (PIM) SF820

Notes to the Schedule of Investment Portfolio

(in Canadian \$ thousands)

E. Fair Value Classification

The following table presents information about the Fund's assets measured at fair value on a recurring basis and indicates the fair value hierarchy of the valuation techniques utilized by the Fund to determine such fair value:

<u>Assets measured at fair value</u>	2023			
	Assets Measured at Fair Value			
	Level 1	Level 2	Level 3	Total
Bonds	\$ —	\$ 68,923	\$ —	\$ 68,923
Total assets measured at fair value	\$ —	\$ 68,923	\$ —	\$ 68,923

<u>Assets measured at fair value</u>	2022			
	Assets Measured at Fair Value			
	Level 1	Level 2	Level 3	Total
Bonds	\$ —	\$ 61,440	\$ —	\$ 61,440
Total assets measured at fair value	\$ —	\$ 61,440	\$ —	\$ 61,440

There were no significant transfers between Level 1 and Level 2 during 2023 or 2022.

Real Return Bond Fund (PIM) SF820

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance. Portfolio units are allocated to each category as described in note 3 and are not included on this page.

Net Assets Attributable to Contractholders by Category

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
75/75 guarantee policy	16,199	21,396	29,222	43,301	65,404	163	216	351	521	713
75/100 guarantee policy	21,085	27,828	35,351	47,761	55,866	207	275	416	565	601
100/100 guarantee policy	1,443	3,325	5,084	9,588	32,667	14	32	59	112	348
PS1 75/75 guarantee policy	7,125	4,052	4,150	2,552	5,349	76	43	52	32	60
PS1 75/100 guarantee policy	12,847	15,492	15,587	14,401	29,501	134	161	193	178	329
PS2 100/100 guarantee policy	—	—	—	—	11,926	—	—	—	—	150
PPS 100/100 guarantee policy	—	—	—	283	22,053	—	—	—	3	226

Net Assets Attributable to Contractholders Per Unit (note 6)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
75/75 guarantee policy	10.08	10.08	12.00	12.03	10.90	—	(1.92)
75/100 guarantee policy	9.84	9.87	11.78	11.84	10.76	(0.03)	(1.91)
100/100 guarantee policy	9.66	9.71	11.61	11.69	10.64	(0.05)	(1.90)
PS1 75/75 guarantee policy	10.62	10.58	12.53	12.50	11.29	0.04	(1.95)
PS1 75/100 guarantee policy	10.44	10.41	12.36	12.35	11.16	0.03	(1.95)
PS2 100/100 guarantee policy	—	—	—	—	12.54	—	—
PPS 100/100 guarantee policy	—	—	—	11.38	10.25	—	—

Real Return Bond Fund (PIM) SF820

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Fund is offered by The Canada Life Assurance Company.

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

Real Return Bond Fund (PIM) SF820

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

Real Return Bond Fund (PIM) SF820

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in fair value measurements in the notes to the Schedule of Investment Portfolio.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

Real Return Bond Fund (PIM) SF820

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Bonds

Bonds are recorded at fair value determined with reference to closing quoted market prices, where the last traded price falls within the day's bid-ask spread, primarily provided by third party independent pricing sources. Fair values are determined on the basis of the closing price for a security on the recognized exchange on which it is principally traded at each reporting date. In circumstances where the last traded price is not within the bid-ask spread, the Company determines the point when the bid-ask spread that is most representative of fair value based on the specific facts and circumstances.

The fair value of unlisted securities is established using quotations determined by a major dealer in a particular security. Should the quoted value for a security, in the opinion of the Fund Manager, be inaccurate, unreliable, or not readily available, the value of the security is estimated using valuation techniques. Valuation techniques include the market approach (using recent arm's-length market transactions adjusted as necessary and reference to the current market value of another instrument that is substantially the same) and the income approach (discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible).

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

Interest income on debt securities - included in the change in fair value of such investments and recorded on the accrual basis.

Real Return Bond Fund (PIM) SF820

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

Miscellaneous income (loss)

Miscellaneous income (loss) generally includes the changes in foreign exchange rates between trade and settlement dates, foreign exchange rates on bank balances, securities lending income, derivative income, and management fee rebates.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

Real Return Bond Fund (PIM) SF820

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

k) Income Allocation

Net gain (loss) on investments, which includes interest income, realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the net asset value (NAV) per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

m) Transaction Costs

Transaction costs, such as brokerage commissions, incurred in the purchase and sale of securities by the Fund are charged to expenses in the year.

Real Return Bond Fund (PIM) SF820

Notes to the Financial Statements

(in Canadian \$ thousands)

3. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Emperor,
- Flex,
- Generations/Mosaic,
- Generations I,
- Generations II,
- Generations Core,
- Prestige/Prestige Plus, and
- Private Collections.

In addition to the Individual units, units are available for:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

Portfolio units are those units owned by the Asset Allocation Funds. Each Portfolio fund is represented by a separate category.

The categories of units, and the various levels within each, are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

Real Return Bond Fund (PIM) SF820

Notes to the Financial Statements

(in Canadian \$ thousands)

4. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

5. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

6. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

Real Return Bond Fund (PIM) SF820

Notes to the Financial Statements

(in Canadian \$ thousands)

7. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.
- c) The Fund invests in assets or underlying funds managed by the Company. All investment transactions with the corresponding underlying funds are at quoted market prices.

Real Return Bond Fund (PIM) SF820

Supplemental Information *(unaudited)*

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾

For the years ended December 31	2023	2022	2021	2020	2019
75/75 guarantee policy	2.05	2.06	2.06	2.07	2.08
75/100 guarantee policy	2.32	2.33	2.34	2.35	2.36
100/100 guarantee policy	2.49	2.50	2.50	2.53	2.53
PS1 75/75 guarantee policy	1.59	1.59	1.59	1.62	1.62
PS1 75/100 guarantee policy	1.76	1.76	1.76	1.78	1.78
PPS 100/100 guarantee policy	—	—	—	1.41	1.39

Portfolio Turnover Rate (%) ⁽²⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	1.71	3.06	3.24	8.23	7.38

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
MONTHLY INCOME FUND (L) SF821

December 31, 2023

Independent Auditor's Report

To the Contractholders of Monthly Income Fund (L) SF821 (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

Monthly Income Fund (L) SF821

(in Canadian \$ thousands)

Fund Manager: Mackenzie Investments

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ —	\$ —
Investment income due and accrued	—	—
Due from The Canada Life Assurance Company (note 8)	—	—
Due from brokers	—	—
Due from outside parties	—	—
Investments		
Investment fund units (note 3)	39,052	42,716
Total investments	39,052	42,716
Total assets	\$ 39,052	\$ 42,716
Liabilities		
Overdrafts	\$ —	\$ —
Due to The Canada Life Assurance Company (note 8)	—	—
Due to brokers	—	—
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	—	—
Net assets attributable to contractholders	\$ 39,052	\$ 42,716

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 4,008	\$ (3,170)
Miscellaneous income (loss)	—	—
Total income (loss)	4,008	(3,170)
Expenses		
Management fees (note 8)	654	770
Other	68	80
Total expenses	722	850
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 3,286	\$ (4,020)

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year	\$ 42,716	\$ 50,579
Contractholder deposits	24	1,658
Contractholder withdrawals	(6,974)	(5,501)
Increase (decrease) in net assets from operations attributable to contractholders	3,286	(4,020)
Change in net assets attributable to contractholders	(3,664)	(7,863)
Net assets attributable to contractholders - end of year	\$ 39,052	\$ 42,716

Monthly Income Fund (L) SF821

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 3,286	\$ (4,020)
Adjustments		
Realized (gains) losses	(200)	(3,180)
Unrealized (gains) losses	(3,808)	6,350
Gross proceeds of disposition of investments	7,682	58,088
Gross payments for the purchase of investments	(10)	(53,395)
	<u>6,950</u>	<u>3,843</u>
Financing Activities		
Contractholder deposits	24	1,658
Contractholder withdrawals	(6,974)	(5,501)
	<u>(6,950)</u>	<u>(3,843)</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	—	—
Cash, short-term deposits and overdrafts, beginning of year	—	—
Cash, short-term deposits and overdrafts, end of year	<u>\$ —</u>	<u>\$ —</u>

Monthly Income Fund (L) SF821

Schedule of Investment Portfolio

(in Canadian \$ thousands)

As at December 31, 2023

	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units		
Maxxum Canadian Balanced Fund (Mackenzie) SF519	35,871	39,052
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Mackenzie Global High Yield Fixed Income ETF *	2.30%	
Royal Bank of Canada	2.16%	
Bank of Montreal	1.78%	
Cash and short-term deposits	1.55%	
Mackenzie Floating Rate Income ETF *	1.52%	
Total Investments	35,871	39,052

*The issuer of this security is a related company to the issuer of the Fund.

Monthly Income Fund (L) SF821

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Net Assets Attributable to Contractholders by Category

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
75/75 guarantee policy	259,325	294,128	302,648	282,013	213,484	3,372	3,552	3,989	3,474	2,585
75/100 guarantee policy	1,174,184	1,458,384	1,610,942	1,599,265	1,489,012	15,121	17,458	21,070	19,576	17,930
100/100 guarantee policy	32,767	46,194	59,859	54,537	78,960	416	546	774	661	943
PS1 75/75 guarantee policy	117,652	157,455	143,033	67,339	28,683	1,594	1,971	1,945	852	355
PS1 75/100 guarantee policy	364,413	454,254	494,201	350,391	351,580	4,864	5,614	6,646	4,392	4,318
PS1 100/100 guarantee policy	15,078	17,562	13,082	13,791	36,841	197	213	173	171	447
PS2 75/75 guarantee policy	2,667	5,704	—	8,730	38,083	44	84	—	125	523
PS2 75/100 guarantee policy	615,622	673,327	783,257	768,641	664,900	10,052	9,948	12,309	11,009	9,124
PS 75/75 guarantee policy	22,516	22,642	22,514	21,761	—	268	247	266	237	—
PS 75/100 guarantee policy	147,115	160,077	214,526	214,786	64,110	1,741	1,742	2,522	2,338	679
PPS 75/75 guarantee policy	3,708	3,741	3,776	—	—	45	42	45	—	—
PPS 75/100 guarantee policy	110,650	117,289	70,435	8,292	8,189	1,338	1,299	840	91	87

Net Assets Attributable to Contractholders Per Unit (note 7)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
75/75 guarantee policy	13.00	12.08	13.18	12.32	12.11	0.92	(1.10)
75/100 guarantee policy	12.88	11.97	13.08	12.24	12.04	0.91	(1.11)
100/100 guarantee policy	12.69	11.82	12.93	12.12	11.94	0.87	(1.11)
PS1 75/75 guarantee policy	13.55	12.52	13.60	12.66	12.38	1.03	(1.08)
PS1 75/100 guarantee policy	13.35	12.36	13.45	12.54	12.28	0.99	(1.09)
PS1 100/100 guarantee policy	13.08	12.14	13.24	12.37	12.15	0.94	(1.10)
PS2 75/75 guarantee policy	16.33	14.77	—	14.32	13.72	1.56	(0.94)
PS2 75/100 guarantee policy	16.33	14.77	15.71	14.32	13.72	1.56	(0.94)
PS 75/75 guarantee policy	11.91	10.93	11.80	10.91	—	0.98	(0.87)
PS 75/100 guarantee policy	11.83	10.88	11.76	10.88	10.59	0.95	(0.88)
PPS 75/75 guarantee policy	12.21	11.16	11.99	—	—	1.05	(0.83)
PPS 75/100 guarantee policy	12.10	11.08	11.92	10.99	10.65	1.02	(0.84)

Monthly Income Fund (L) SF821

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Monthly Income Fund (L) SF821 (the Fund) is offered by The Canada Life Assurance Company (Canada Life or the Company).

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

Monthly Income Fund (L) SF821

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

Monthly Income Fund (L) SF821

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in note 9 on Financial Instrument Risk Management.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

Monthly Income Fund (L) SF821

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Investment Fund Units

Investment fund units are recorded at fair value, which is the closing net asset value (NAV) per unit of the underlying fund.

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Monthly Income Fund (L) SF821

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

Monthly Income Fund (L) SF821

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

k) Income Allocation

Net gain (loss) on investments, which includes realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the NAV per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

3. INVESTMENT FUND UNITS

Investment fund units of the Fund invest solely in units of other segregated investment funds of Canada Life. Units are valued based on the closing unit values of the underlying funds.

Investment activity of the underlying fund indirectly exposes the Fund to financial risk. See note 9 on Financial Instrument Risk Management.

Monthly Income Fund (L) SF821

Notes to the Financial Statements

(in Canadian \$ thousands)

4. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Emperor,
- Flex,
- Generations/Mosaic,
- Generations I,
- Generations II,
- Generations Core,
- Prestige/Prestige Plus, and
- Private Collections.

In addition to the Individual units, units are available for:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

The categories of units are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

Monthly Income Fund (L) SF821

Notes to the Financial Statements

(in Canadian \$ thousands)

5. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

6. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

7. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

Monthly Income Fund (L) SF821

Notes to the Financial Statements

(in Canadian \$ thousands)

8. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.
- c) The Fund invests in assets or underlying funds managed by Mackenzie Financial Corporation, which operates as Mackenzie Investments. All investment transactions with the corresponding underlying funds are at quoted market prices.

Monthly Income Fund (L) SF821

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT

a) Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023. The following sections describe the significant risks that are relevant to the Fund.

The Fund employs a passive investment strategy whereby investments in underlying funds are based on target asset weightings. The target weightings allocated to each underlying fund and the selection of underlying funds are based on several factors, including impact to the Fund's volatility and asset class diversification. Significant changes to the selection of underlying funds or the target asset weightings attributed to each underlying fund require contractholder notification. To assist with managing risk, the Fund Manager also maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and other regulations. Financial statements for the underlying funds, which include discussions about their respective risk exposure, are available upon request.

b) Liquidity Risk

Liquidity risk arises when a Fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units. As the Fund primarily invests all of its net assets in the underlying funds, liquidity risk is mitigated by the underlying funds' ability to meet the obligation to fund daily cash redemptions of their redeemable units/shares. In addition, the underlying funds retain sufficient cash and cash equivalent positions to maintain adequate liquidity.

c) Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The Fund's investments in all underlying funds are denominated in Canadian dollars. However, the Fund is indirectly exposed to currency risk to the extent that the investments of the underlying funds are denominated or traded in a foreign currency.

d) Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund does not directly hold any interest-bearing financial instruments. The Fund is indirectly exposed to the risk that the value of interest-bearing financial instruments held by the underlying funds will fluctuate due to changes in the prevailing levels of market interest rates.

e) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund has no direct exposure to credit risk. The greatest indirect concentration of credit risk is in debt securities, such as bonds, held by underlying funds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer. The carrying amount of debt investments represents the maximum credit risk exposure as at December 31, 2023.

f) Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. For the instruments held by the Fund, maximum risk of loss is equivalent to their fair value. The Fund Manager moderates this risk through a careful selection of underlying funds within the parameters of the investment strategy.

Monthly Income Fund (L) SF821

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT (continued)

g) Fair Value Classification

Investment Fund Units are recorded at fair value, which is the closing NAV per unit of the underlying fund. This valuation is considered to be a Level 2 classification.

Monthly Income Fund (L) SF821

Supplemental Information *(unaudited)*

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾

For the years ended December 31	2023	2022	2021	2020	2019
75/75 guarantee policy	2.59	2.59	2.54	2.53	2.53
75/100 guarantee policy	2.70	2.70	2.65	2.64	2.63
100/100 guarantee policy	2.86	2.87	2.81	2.81	2.80
PS1 75/75 guarantee policy	2.13	2.13	2.08	2.07	2.07
PS1 75/100 guarantee policy	2.30	2.29	2.25	2.24	2.24
PS1 100/100 guarantee policy	2.52	2.51	2.47	2.49	2.45
PS 75/75 guarantee policy	1.49	1.48	1.44	1.43	—
PS 75/100 guarantee policy	1.60	1.60	1.55	1.54	1.54
PPS 75/75 guarantee policy	1.03	1.03	1.00	—	—
PPS 75/100 guarantee policy	1.20	1.19	1.14	1.15	1.14

Portfolio Turnover Rate (%) ⁽²⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	0.02	114.51	75.81	28.77	22.54

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
GLOBAL MONTHLY INCOME FUND (L) SF822

December 31, 2023

Independent Auditor's Report

To the Contractholders of Global Monthly Income Fund (L) SF822 (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

Global Monthly Income Fund (L) SF822

(in Canadian \$ thousands)

Fund Manager: Mackenzie Investments

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ —	\$ —
Investment income due and accrued	—	—
Due from The Canada Life Assurance Company (note 8)	—	—
Due from brokers	—	—
Due from outside parties	—	—
Investments		
Investment fund units (note 3)	29,892	18,182
Total investments	29,892	18,182
Total assets	\$ 29,892	\$ 18,182
Liabilities		
Overdrafts	\$ —	\$ —
Due to The Canada Life Assurance Company (note 8)	—	—
Due to brokers	—	—
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	—	—
Net assets attributable to contractholders	\$ 29,892	\$ 18,182

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 2,529	\$ (1,355)
Miscellaneous income (loss)	—	—
Total income (loss)	2,529	(1,355)
Expenses		
Management fees (note 8)	473	346
Other	52	37
Total expenses	525	383
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 2,004	\$ (1,738)

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year	\$ 18,182	\$ 18,652
Contractholder deposits	11,476	4,063
Contractholder withdrawals	(1,770)	(2,795)
Increase (decrease) in net assets from operations attributable to contractholders	2,004	(1,738)
Change in net assets attributable to contractholders	11,710	(470)
Net assets attributable to contractholders - end of year	\$ 29,892	\$ 18,182

Global Monthly Income Fund (L) SF822

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 2,004	\$ (1,738)
Adjustments		
Realized (gains) losses	(52)	(921)
Unrealized (gains) losses	(2,477)	2,276
Gross proceeds of disposition of investments	1,625	21,288
Gross payments for the purchase of investments	(10,806)	(22,173)
	<u>(9,706)</u>	<u>(1,268)</u>
Financing Activities		
Contractholder deposits	11,476	4,063
Contractholder withdrawals	(1,770)	(2,795)
	<u>9,706</u>	<u>1,268</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	—	—
Cash, short-term deposits and overdrafts, beginning of year	—	—
Cash, short-term deposits and overdrafts, end of year	<u>\$ —</u>	<u>\$ —</u>

Global Monthly Income Fund (L) SF822

Schedule of Investment Portfolio

(in Canadian \$ thousands)

As at December 31, 2023

	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units		
Global Strategic Income Fund 1.85MI	27,521	29,892
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Cash and short-term deposits	6.59%	
Microsoft Corp.	2.68%	
Mackenzie Canadian All Corporate Bond Index ETF *	2.23%	
Mackenzie Floating Rate Income ETF *	2.21%	
Government of Canada 3.50% 03-01-2028	2.13%	
Total Investments	27,521	29,892

*The issuer of this security is a related company to the issuer of the Fund.

Global Monthly Income Fund (L) SF822

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Net Assets Attributable to Contractholders by Category

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
75/75 guarantee policy	288,311	254,161	209,499	176,306	97,134	3,537	2,873	2,608	2,070	1,122
75/100 guarantee policy	795,252	592,824	518,570	439,525	329,783	9,629	6,627	6,398	5,125	3,793
100/100 guarantee policy	48,084	42,808	36,073	40,825	39,203	576	474	441	473	449
PS1 75/75 guarantee policy	276,564	164,469	134,068	84,348	8,329	3,461	1,891	1,694	1,003	97
PS1 75/100 guarantee policy	684,407	278,458	225,920	175,992	46,919	8,462	3,169	2,829	2,077	544
PS1 100/100 guarantee policy	4,860	4,860	24,142	24,911	6,023	59	55	299	291	69
PS2 75/75 guarantee policy	29,348	4,049	1,629	55	—	433	53	23	1	—
PS2 75/100 guarantee policy	145,840	151,376	256,342	321,308	334,382	2,150	2,003	3,640	4,194	4,189
PS 75/75 guarantee policy	21,918	9,464	8,278	8,130	319	262	103	98	90	3
PS 75/100 guarantee policy	35,736	37,736	35,054	36,741	32,900	421	406	412	404	353
PPS 75/75 guarantee policy	24,665	11,922	10,460	12,950	6,967	298	131	125	144	75
PPS 75/100 guarantee policy	50,404	36,376	7,200	17,652	8,321	604	397	85	195	90

Net Assets Attributable to Contractholders Per Unit (note 7)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
75/75 guarantee policy	12.27	11.30	12.45	11.74	11.55	0.97	(1.15)
75/100 guarantee policy	12.11	11.18	12.34	11.66	11.50	0.93	(1.16)
100/100 guarantee policy	11.97	11.07	12.24	11.58	11.44	0.90	(1.17)
PS1 75/75 guarantee policy	12.51	11.50	12.63	11.89	11.67	1.01	(1.13)
PS1 75/100 guarantee policy	12.36	11.38	12.52	11.80	11.61	0.98	(1.14)
PS1 100/100 guarantee policy	12.18	11.23	12.39	11.70	11.53	0.95	(1.16)
PS2 75/75 guarantee policy	14.74	13.23	14.20	13.05	—	1.51	(0.97)
PS2 75/100 guarantee policy	14.74	13.23	14.20	13.05	12.53	1.51	(0.97)
PS 75/75 guarantee policy	11.93	10.87	11.84	11.04	10.75	1.06	(0.97)
PS 75/100 guarantee policy	11.79	10.77	11.75	10.99	10.72	1.02	(0.98)
PPS 75/75 guarantee policy	12.09	10.99	11.94	11.11	10.79	1.10	(0.95)
PPS 75/100 guarantee policy	11.98	10.91	11.87	11.07	10.76	1.07	(0.96)

Global Monthly Income Fund (L) SF822

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Global Monthly Income Fund (L) SF822 (the Fund) is offered by The Canada Life Assurance Company (Canada Life or the Company).

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

Global Monthly Income Fund (L) SF822

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

Global Monthly Income Fund (L) SF822

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in note 9 on Financial Instrument Risk Management.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

Global Monthly Income Fund (L) SF822

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Investment Fund Units

Investment fund units are recorded at fair value, which is the closing net asset value (NAV) per unit of the underlying fund.

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Global Monthly Income Fund (L) SF822

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

Global Monthly Income Fund (L) SF822

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

k) Income Allocation

Net gain (loss) on investments, which includes realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the NAV per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

3. INVESTMENT FUND UNITS

Investment fund units of the Fund invest solely in units of other segregated investment funds of Canada Life. Units are valued based on the closing unit values of the underlying funds.

Investment activity of the underlying fund indirectly exposes the Fund to financial risk. See note 9 on Financial Instrument Risk Management.

Global Monthly Income Fund (L) SF822

Notes to the Financial Statements

(in Canadian \$ thousands)

4. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Emperor,
- Flex,
- Generations/Mosaic,
- Generations I,
- Generations II,
- Generations Core,
- Prestige/Prestige Plus, and
- Private Collections.

In addition to the Individual units, units are available for:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

The categories of units are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

Global Monthly Income Fund (L) SF822

Notes to the Financial Statements

(in Canadian \$ thousands)

5. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

6. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

7. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

Global Monthly Income Fund (L) SF822

Notes to the Financial Statements

(in Canadian \$ thousands)

8. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.
- c) The Fund invests in assets or underlying funds managed by Mackenzie Financial Corporation, which operates as Mackenzie Investments. All investment transactions with the corresponding underlying funds are at quoted market prices.

Global Monthly Income Fund (L) SF822

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT

a) Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023. The following sections describe the significant risks that are relevant to the Fund.

The Fund employs a passive investment strategy whereby investments in underlying funds are based on target asset weightings. The target weightings allocated to each underlying fund and the selection of underlying funds are based on several factors, including impact to the Fund's volatility and asset class diversification. Significant changes to the selection of underlying funds or the target asset weightings attributed to each underlying fund require contractholder notification. To assist with managing risk, the Fund Manager also maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and other regulations. Financial statements for the underlying funds, which include discussions about their respective risk exposure, are available upon request.

b) Liquidity Risk

Liquidity risk arises when a Fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units. As the Fund primarily invests all of its net assets in the underlying funds, liquidity risk is mitigated by the underlying funds' ability to meet the obligation to fund daily cash redemptions of their redeemable units/shares. In addition, the underlying funds retain sufficient cash and cash equivalent positions to maintain adequate liquidity.

c) Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The Fund's investments in all underlying funds are denominated in Canadian dollars. However, the Fund is indirectly exposed to currency risk to the extent that the investments of the underlying funds are denominated or traded in a foreign currency.

d) Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund does not directly hold any interest-bearing financial instruments. The Fund is indirectly exposed to the risk that the value of interest-bearing financial instruments held by the underlying funds will fluctuate due to changes in the prevailing levels of market interest rates.

e) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund has no direct exposure to credit risk. The greatest indirect concentration of credit risk is in debt securities, such as bonds, held by underlying funds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer. The carrying amount of debt investments represents the maximum credit risk exposure as at December 31, 2023.

f) Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. For the instruments held by the Fund, maximum risk of loss is equivalent to their fair value. The Fund Manager moderates this risk through a careful selection of underlying funds within the parameters of the investment strategy.

Global Monthly Income Fund (L) SF822

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT (continued)

g) Fair Value Classification

Investment Fund Units are recorded at fair value, which is the closing NAV per unit of the underlying fund. This valuation is considered to be a Level 2 classification.

Global Monthly Income Fund (L) SF822

Supplemental Information *(unaudited)*

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾

For the years ended December 31	2023	2022	2021	2020	2019
75/75 guarantee policy	2.62	2.59	2.54	2.54	2.53
75/100 guarantee policy	2.84	2.81	2.76	2.76	2.75
100/100 guarantee policy	3.01	2.98	2.94	2.92	2.91
PS1 75/75 guarantee policy	2.38	2.35	2.30	2.29	2.29
PS1 75/100 guarantee policy	2.54	2.52	2.47	2.44	2.47
PS1 100/100 guarantee policy	2.76	2.75	2.69	2.65	2.67
PS 75/75 guarantee policy	1.51	1.49	1.45	1.45	1.46
PS 75/100 guarantee policy	1.74	1.71	1.67	1.68	1.67
PPS 75/75 guarantee policy	1.27	1.25	1.21	1.21	1.22
PPS 75/100 guarantee policy	1.44	1.42	1.38	1.37	1.38

Unsubsidized Management Expense Ratio (%) ⁽²⁾

For the years ended December 31	2023	2022	2021	2020	2019
PS1 75/75 guarantee policy	2.38	2.35	2.30	2.31	2.29
PS1 75/100 guarantee policy	2.54	2.52	2.47	2.46	2.47
PS1 100/100 guarantee policy	2.76	2.75	2.69	2.67	2.67
PPS 75/75 guarantee policy	1.27	1.25	1.21	1.23	1.22
PPS 75/100 guarantee policy	1.44	1.42	1.38	1.39	1.38

Portfolio Turnover Rate (%) ⁽³⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	7.04	117.39	56.14	17.48	31.61

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The Company has waived a portion of the fees for the Preferred Series 1 and Preferred Partner Series guarantee policies. There is no obligation for the Company to continue waiving these fees and it may cease to do so at any time without notice.

(3) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
DIVERSIFIED FUND (GLC) SF823

December 31, 2023

Independent Auditor's Report

To the Contractholders of Diversified Fund (GLC) SF823 (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

Diversified Fund (GLC) SF823

(in Canadian \$ thousands)

Fund Manager: Mackenzie Investments

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ —	\$ —
Investment income due and accrued	—	—
Due from The Canada Life Assurance Company (note 8)	—	—
Due from brokers	—	—
Due from outside parties	—	—
Investments		
Investment fund units (note 3)	42,999	48,212
Total investments	42,999	48,212
Total assets	\$ 42,999	\$ 48,212
Liabilities		
Overdrafts	\$ —	\$ —
Due to The Canada Life Assurance Company (note 8)	—	—
Due to brokers	—	—
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	—	—
Net assets attributable to contractholders	\$ 42,999	\$ 48,212

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 4,466	\$ (5,664)
Miscellaneous income (loss)	—	—
Total income (loss)	4,466	(5,664)
Expenses		
Management fees (note 8)	976	1,166
Other	101	124
Total expenses	1,077	1,290
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 3,389	\$ (6,954)

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year	\$ 48,212	\$ 59,900
Contractholder deposits	20	736
Contractholder withdrawals	(8,622)	(5,470)
Increase (decrease) in net assets from operations attributable to contractholders	3,389	(6,954)
Change in net assets attributable to contractholders	(5,213)	(11,688)
Net assets attributable to contractholders - end of year	\$ 42,999	\$ 48,212

Diversified Fund (GLC) SF823

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 3,389	\$ (6,954)
Adjustments		
Realized (gains) losses	(258)	(281)
Unrealized (gains) losses	(4,208)	5,945
Gross proceeds of disposition of investments	9,759	67,537
Gross payments for the purchase of investments	(80)	(61,513)
	<u>8,602</u>	<u>4,734</u>
Financing Activities		
Contractholder deposits	20	736
Contractholder withdrawals	(8,622)	(5,470)
	<u>(8,602)</u>	<u>(4,734)</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	—	—
Cash, short-term deposits and overdrafts, beginning of year	—	—
Cash, short-term deposits and overdrafts, end of year	<u>\$ —</u>	<u>\$ —</u>

Diversified Fund (GLC) SF823

Schedule of Investment Portfolio

(in Canadian \$ thousands)

As at December 31, 2023

	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units		
Maxxum Canadian Balanced Fund (Mackenzie) SF519	39,494	42,999
<u>Top 5 Holdings:</u>	<u>% of Total</u>	
Mackenzie Global High Yield Fixed Income ETF *	2.30%	
Royal Bank of Canada	2.16%	
Bank of Montreal	1.78%	
Cash and short-term deposits	1.55%	
Mackenzie Floating Rate Income ETF *	1.52%	
Total Investments	39,494	42,999

*The issuer of this security is a related company to the issuer of the Fund.

Diversified Fund (GLC) SF823

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Net Assets Attributable to Contractholders by Category

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
75/75 guarantee policy	513,108	590,903	565,031	210,112	20,184	5,741	6,139	6,631	2,265	204
75/100 guarantee policy	1,770,099	2,237,009	2,412,874	1,380,727	61,770	19,669	23,119	28,217	14,853	623
100/100 guarantee policy	11,321	13,234	17,481	4,618	—	125	136	204	50	—
PS1 75/75 guarantee policy	199,124	263,649	203,845	120,111	18,190	2,266	2,774	2,413	1,300	184
PS1 75/100 guarantee policy	905,260	1,014,675	1,355,101	465,380	17,319	10,229	10,621	15,986	5,030	175
PS1 100/100 guarantee policy	474	474	673	—	—	5	5	8	—	—
PS2 75/75 guarantee policy	11,698	23,095	27,241	—	—	146	260	338	—	—
PS2 75/100 guarantee policy	58,014	61,365	76,412	47,847	—	722	691	948	531	—
PS 75/75 guarantee policy	17,034	18,784	17,883	14,676	—	200	202	215	160	—
PS 75/100 guarantee policy	228,762	251,526	239,623	105,288	7,879	2,661	2,692	2,870	1,147	79
PPS 75/75 guarantee policy	60,145	87,429	91,548	2,856	—	717	953	1,111	31	—
PPS 75/100 guarantee policy	43,776	57,175	79,378	37,267	—	518	620	959	408	—

Net Assets Attributable to Contractholders Per Unit (note 7)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
75/75 guarantee policy	11.19	10.39	11.74	10.78	10.09	0.80	(1.35)
75/100 guarantee policy	11.11	10.33	11.69	10.76	10.09	0.78	(1.36)
100/100 guarantee policy	11.04	10.28	11.66	10.74	—	0.76	(1.38)
PS1 75/75 guarantee policy	11.38	10.52	11.84	10.83	10.10	0.86	(1.32)
PS1 75/100 guarantee policy	11.30	10.47	11.80	10.81	10.10	0.83	(1.33)
PS1 100/100 guarantee policy	11.20	10.40	11.74	—	—	0.80	(1.34)
PS2 75/75 guarantee policy	12.45	11.27	12.40	—	—	1.18	(1.13)
PS2 75/100 guarantee policy	12.45	11.27	12.40	11.10	—	1.18	(1.13)
PS 75/75 guarantee policy	11.72	10.76	12.02	10.92	—	0.96	(1.26)
PS 75/100 guarantee policy	11.63	10.70	11.98	10.89	10.11	0.93	(1.28)
PPS 75/75 guarantee policy	11.92	10.91	12.14	10.98	—	1.01	(1.23)
PPS 75/100 guarantee policy	11.83	10.84	12.08	10.95	—	0.99	(1.24)

Diversified Fund (GLC) SF823

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Diversified Fund (GLC) SF823 (the Fund) is offered by The Canada Life Assurance Company (Canada Life or the Company).

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

Diversified Fund (GLC) SF823

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

Diversified Fund (GLC) SF823

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in note 9 on Financial Instrument Risk Management.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

Diversified Fund (GLC) SF823

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Investment Fund Units

Investment fund units are recorded at fair value, which is the closing net asset value (NAV) per unit of the underlying fund.

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Diversified Fund (GLC) SF823

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

Diversified Fund (GLC) SF823

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

k) Income Allocation

Net gain (loss) on investments, which includes realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the NAV per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

3. INVESTMENT FUND UNITS

Investment fund units of the Fund invest solely in units of other segregated investment funds of Canada Life. Units are valued based on the closing unit values of the underlying funds.

Investment activity of the underlying fund indirectly exposes the Fund to financial risk. See note 9 on Financial Instrument Risk Management.

Diversified Fund (GLC) SF823

Notes to the Financial Statements

(in Canadian \$ thousands)

4. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Emperor,
- Flex,
- Generations/Mosaic,
- Generations I,
- Generations II,
- Generations Core,
- Prestige/Prestige Plus, and
- Private Collections.

In addition to the Individual units, units are available for:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

The categories of units are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

Diversified Fund (GLC) SF823

Notes to the Financial Statements

(in Canadian \$ thousands)

5. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

6. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

7. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

Diversified Fund (GLC) SF823

Notes to the Financial Statements

(in Canadian \$ thousands)

8. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.
- c) The Fund invests in assets or underlying funds managed by Mackenzie Financial Corporation, which operates as Mackenzie Investments. All investment transactions with the corresponding underlying funds are at quoted market prices.

Diversified Fund (GLC) SF823

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT

a) Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023. The following sections describe the significant risks that are relevant to the Fund.

The Fund employs a passive investment strategy whereby investments in underlying funds are based on target asset weightings. The target weightings allocated to each underlying fund and the selection of underlying funds are based on several factors, including impact to the Fund's volatility and asset class diversification. Significant changes to the selection of underlying funds or the target asset weightings attributed to each underlying fund require contractholder notification. To assist with managing risk, the Fund Manager also maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and other regulations. Financial statements for the underlying funds, which include discussions about their respective risk exposure, are available upon request.

b) Liquidity Risk

Liquidity risk arises when a Fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units. As the Fund primarily invests all of its net assets in the underlying funds, liquidity risk is mitigated by the underlying funds' ability to meet the obligation to fund daily cash redemptions of their redeemable units/shares. In addition, the underlying funds retain sufficient cash and cash equivalent positions to maintain adequate liquidity.

c) Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The Fund's investments in all underlying funds are denominated in Canadian dollars. However, the Fund is indirectly exposed to currency risk to the extent that the investments of the underlying funds are denominated or traded in a foreign currency.

d) Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund does not directly hold any interest-bearing financial instruments. The Fund is indirectly exposed to the risk that the value of interest-bearing financial instruments held by the underlying funds will fluctuate due to changes in the prevailing levels of market interest rates.

e) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund has no direct exposure to credit risk. The greatest indirect concentration of credit risk is in debt securities, such as bonds, held by underlying funds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer. The carrying amount of debt investments represents the maximum credit risk exposure as at December 31, 2023.

f) Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. For the instruments held by the Fund, maximum risk of loss is equivalent to their fair value. The Fund Manager moderates this risk through a careful selection of underlying funds within the parameters of the investment strategy.

Diversified Fund (GLC) SF823

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT (continued)

g) Fair Value Classification

Investment Fund Units are recorded at fair value, which is the closing NAV per unit of the underlying fund. This valuation is considered to be a Level 2 classification.

Diversified Fund (GLC) SF823

Supplemental Information (unaudited)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾

For the years ended December 31	2023	2022	2021	2020	2019
75/75 guarantee policy	2.59	2.59	2.57	2.54	2.54
75/100 guarantee policy	2.75	2.76	2.74	2.72	2.70
100/100 guarantee policy	2.91	2.92	2.91	2.87	—
PS1 75/75 guarantee policy	2.19	2.18	2.17	2.14	2.14
PS1 75/100 guarantee policy	2.35	2.36	2.33	2.32	2.30
PS1 100/100 guarantee policy	2.58	2.57	2.58	—	—
PS 75/75 guarantee policy	1.49	1.49	1.47	1.44	—
PS 75/100 guarantee policy	1.65	1.65	1.63	1.61	1.61
PPS 75/75 guarantee policy	1.09	1.08	1.07	1.06	—
PPS 75/100 guarantee policy	1.25	1.25	1.23	1.21	—

Portfolio Turnover Rate (%) ⁽²⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	0.17	114.65	33.67	5.91	0.07

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
DIVERSIFIED FIXED INCOME FUND (PSG) SF824

December 31, 2023

Independent Auditor's Report

To the Contractholders of Diversified Fixed Income Fund (PSG) SF824 (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

Diversified Fixed Income Fund (PSG) SF824

(in Canadian \$ thousands)

Fund Manager: Portfolio Solutions Group, a division of Canada Life Investment Management Ltd.

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ —	\$ —
Investment income due and accrued	—	—
Due from The Canada Life Assurance Company (note 8)	—	—
Due from brokers	—	—
Due from outside parties	—	—
Investments		
Investment fund units (note 3)	78,722	84,982
Total investments	78,722	84,982
Total assets	\$ 78,722	\$ 84,982
Liabilities		
Overdrafts	\$ —	\$ —
Due to The Canada Life Assurance Company (note 8)	—	—
Due to brokers	—	—
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	—	—
Net assets attributable to contractholders	\$ 78,722	\$ 84,982

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 5,400	\$ (8,849)
Miscellaneous income (loss)	—	—
Total income (loss)	5,400	(8,849)
Expenses		
Management fees (note 8)	1,187	1,178
Other	148	148
Total expenses	1,335	1,326
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 4,065	\$ (10,175)

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year	\$ 84,982	\$ 83,051
Contractholder deposits	9,347	20,578
Contractholder withdrawals	(19,672)	(8,472)
Increase (decrease) in net assets from operations attributable to contractholders	4,065	(10,175)
Change in net assets attributable to contractholders	(6,260)	1,931
Net assets attributable to contractholders - end of year	\$ 78,722	\$ 84,982

Diversified Fixed Income Fund (PSG) SF824

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 4,065	\$ (10,175)
Adjustments		
Realized (gains) losses	1,119	691
Unrealized (gains) losses	(6,519)	8,158
Gross proceeds of disposition of investments	19,116	10,830
Gross payments for the purchase of investments	(7,456)	(21,610)
	<u>10,325</u>	<u>(12,106)</u>
Financing Activities		
Contractholder deposits	9,347	20,578
Contractholder withdrawals	(19,672)	(8,472)
	<u>(10,325)</u>	<u>12,106</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	—	—
Cash, short-term deposits and overdrafts, beginning of year	—	—
Cash, short-term deposits and overdrafts, end of year	<u>\$ —</u>	<u>\$ —</u>

Diversified Fixed Income Fund (PSG) SF824

Schedule of Investment Portfolio

(in Canadian \$ thousands)

As at December 31, 2023

	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units		
Core Bond Fund (PIM) SF531	19,142	18,888
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Government of Canada 2.75% 06-01-2033	9.86%	
Province of Ontario 3.65% 06-02-2033	8.71%	
Province of Quebec 4.40% 12-01-2055	3.28%	
Province of Quebec 3.60% 09-01-2033	2.81%	
United States Treasury Inflation Index 0.50% 04-15-2024 Real Return	2.52%	
Corporate Bond Fund (PIM) SF817	6,956	7,086
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Mackenzie Canadian All Corporate Bond Index ETF *	1.79%	
Reliance LP 2.67% 08-01-2028	1.43%	
The Bank of Nova Scotia 1.95% 01-10-2025	1.41%	
The Toronto-Dominion Bank 4.68% 01-08-2029	1.38%	
Enbridge Inc. 5.375% 09-27-2077	1.37%	
Global Unconstrained Fund (Mackenzie) SF530	5,307	5,512
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Cash and short-term deposits	3.34%	
United States Treasury Inflation Index 0.50% 04-15-2024 Real Return	2.58%	
United States Treasury 0.13% 07-15-2024 Inflation Indexed	2.42%	
Mackenzie Canadian All Corporate Bond Index ETF *	2.38%	
United States Treasury 3.50% 02-15-2033	1.95%	
International Bond Fund (Laketon) SF036	4,143	3,932
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Buoni del Tesoro Poliennali 1.25% 12-01-2026	4.17%	
Government of Japan 0.40% 09-20-2025	2.81%	
Buoni del Tesoro Poliennali 0.35% 02-01-2025	2.73%	
United States Treasury 1.375% 08-31-2026	2.42%	
United States Treasury 2.75% 11-15-2042	2.41%	
Long Term Bond Fund (PIM) SF818	6,615	6,299
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Government of Canada 2.00% 12-01-2051	3.22%	
Government of Canada 1.75% 12-01-2053	2.56%	
Province of Ontario 2.90% 12-02-2046	2.47%	
Province of Ontario 3.75% 12-02-2053	2.40%	
Province of Ontario 3.45% 06-02-2045	2.35%	

*The issuer of this security is a related company to the issuer of the Fund.

Diversified Fixed Income Fund (PSG) SF824

Schedule of Investment Portfolio

(in Canadian \$ thousands)

As at December 31, 2023

	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units (continued)		
Pathways Global Multi Sector Bond Fund (Brandywine) SF542	4,032	3,943
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
United States Treasury Floating Rate 01-31-2025	21.14%	
Cash and short-term deposits	6.08%	
United Kingdom Gilt 3.75% 10-22-2053	5.77%	
United Mexican States 8.00% 07-31-2053	4.47%	
Republic of Columbia 7.00% 03-26-2031	3.79%	
Private Credit Fund 1.76NL	677	791
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Any Hour Services 6.50% 07-21-2027	3.51%	
Beacon Mobility 6.13% 12-31-2025	3.42%	
Apex Service Partners 5.50% 07-31-2025	2.84%	
Nordic Capital Fund X 5.25% 07-03-2028	2.65%	
Hg Mercury 3 A LP 7.25% 10-07-2027	2.59%	
Real Return Bond Fund (PIM) SF820	4,026	3,930
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Government of Canada 4.00% 12-01-2031 Real Return	14.57%	
Government of Canada 1.50% 12-01-2044 Real Return	13.33%	
Government of Canada 2.00% 12-01-2041 Real Return	12.52%	
Government of Canada 3.00% 12-01-2036 Real Return	12.31%	
Government of Canada 1.25% 12-01-2047 Real Return	11.89%	
Short Term Bond Fund (PIM) SF816	5,300	5,516
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Province of Ontario 3.60% 03-08-2028	11.91%	
Government of Canada 3.25% 09-01-2028	7.29%	
Canada Housing Trust No. 1 1.25% 06-15-2026	6.89%	
Province of Ontario 3.40% 09-08-2028	3.71%	
Province of Quebec 2.75% 09-01-2025	3.70%	
Tactical Bond Fund (PIM) SF558	23,174	22,825
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Province of Ontario 3.65% 06-02-2033	7.05%	
Government of Canada 2.75% 06-01-2033	6.11%	
Province of Quebec 4.40% 12-01-2055	4.15%	
United States Treasury Inflation Index 0.50% 04-15-2024 Real Return	2.63%	
Mackenzie Canadian Aggregate Bond Index ETF *	2.45%	
Total Investments	79,372	78,722

*The issuer of this security is a related company to the issuer of the Fund.

Diversified Fixed Income Fund (PSG) SF824

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Net Assets Attributable to Contractholders by Category

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
75/75 guarantee policy	873,833	873,056	1,071,064	584,109	49,132	8,167	7,792	10,937	6,222	490
75/100 guarantee policy	2,726,629	2,777,431	2,664,958	1,740,787	174,059	25,365	24,701	27,149	18,519	1,737
100/100 guarantee policy	26,726	31,973	40,371	16,710	2,492	246	282	409	177	25
PS1 75/75 guarantee policy	840,480	760,514	581,589	282,146	27,609	8,046	6,912	6,013	3,025	276
PS1 75/100 guarantee policy	2,347,550	2,595,755	2,607,296	1,639,440	206,408	22,421	23,551	26,925	17,567	2,062
PS1 100/100 guarantee policy	51,203	54,146	51,373	4,252	—	487	490	529	46	—
PS2 75/75 guarantee policy	319,976	1,190,775	225,271	35,214	—	3,270	11,373	2,409	384	—
PS2 75/100 guarantee policy	280,556	306,286	211,598	171,480	8,615	2,867	2,925	2,263	1,871	86
PS2 100/100 guarantee policy	72,208	—	—	—	—	738	—	—	—	—
PS 75/75 guarantee policy	51,928	68,553	48,270	41,874	2,704	497	623	499	449	27
PS 75/100 guarantee policy	344,162	275,329	185,613	76,327	1,700	3,277	2,492	1,914	817	17
PPS 75/75 guarantee policy	151,674	164,873	156,771	8,820	—	1,486	1,525	1,640	95	—
PPS 75/100 guarantee policy	189,746	250,795	216,527	96,529	15,497	1,855	2,316	2,263	1,041	155
PPS 100/100 guarantee policy	—	—	9,717	—	—	—	—	101	—	—

Net Assets Attributable to Contractholders Per Unit (note 7)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
75/75 guarantee policy	9.35	8.92	10.21	10.65	9.98	0.43	(1.29)
75/100 guarantee policy	9.30	8.89	10.19	10.64	9.98	0.41	(1.30)
100/100 guarantee policy	9.22	8.83	10.14	10.61	9.98	0.39	(1.31)
PS1 75/75 guarantee policy	9.57	9.09	10.34	10.72	9.99	0.48	(1.25)
PS1 75/100 guarantee policy	9.55	9.07	10.33	10.72	9.99	0.48	(1.26)
PS1 100/100 guarantee policy	9.51	9.04	10.30	10.70	—	0.47	(1.26)
PS2 75/75 guarantee policy	10.22	9.55	10.69	10.91	—	0.67	(1.14)
PS2 75/100 guarantee policy	10.22	9.55	10.69	10.91	10.01	0.67	(1.14)
PS2 100/100 guarantee policy	10.22	—	—	—	—	0.67	—
PS 75/75 guarantee policy	9.57	9.08	10.34	10.72	9.99	0.49	(1.26)
PS 75/100 guarantee policy	9.52	9.05	10.31	10.71	9.99	0.47	(1.26)
PPS 75/75 guarantee policy	9.80	9.25	10.46	10.79	—	0.55	(1.21)
PPS 75/100 guarantee policy	9.78	9.23	10.45	10.78	10.00	0.55	(1.22)
PPS 100/100 guarantee policy	—	—	10.43	—	—	—	—

Diversified Fixed Income Fund (PSG) SF824

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Diversified Fixed Income Fund (PSG) SF824 (the Fund) is offered by The Canada Life Assurance Company (Canada Life or the Company).

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

Diversified Fixed Income Fund (PSG) SF824

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

Diversified Fixed Income Fund (PSG) SF824

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in note 9 on Financial Instrument Risk Management.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

Diversified Fixed Income Fund (PSG) SF824

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Investment Fund Units

Investment fund units are recorded at fair value, which is the closing net asset value (NAV) per unit of the underlying fund.

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Diversified Fixed Income Fund (PSG) SF824

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

Diversified Fixed Income Fund (PSG) SF824

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

k) Income Allocation

Net gain (loss) on investments, which includes realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the NAV per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

3. INVESTMENT FUND UNITS

Investment fund units of the Fund invest solely in units of other segregated investment funds of Canada Life. Units are valued based on the closing unit values of the underlying funds.

Investment activity of the underlying fund indirectly exposes the Fund to financial risk. See note 9 on Financial Instrument Risk Management.

Diversified Fixed Income Fund (PSG) SF824

Notes to the Financial Statements

(in Canadian \$ thousands)

4. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Emperor,
- Flex,
- Generations/Mosaic,
- Generations I,
- Generations II,
- Generations Core,
- Prestige/Prestige Plus, and
- Private Collections.

In addition to the Individual units, units are available for:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

The categories of units are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

Diversified Fixed Income Fund (PSG) SF824

Notes to the Financial Statements

(in Canadian \$ thousands)

5. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

6. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

7. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

Diversified Fixed Income Fund (PSG) SF824

Notes to the Financial Statements

(in Canadian \$ thousands)

8. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.
- c) The Fund invests in assets or underlying funds managed by Canada Life Investment Management Ltd. All investment transactions with the corresponding underlying funds are at quoted market prices.

Diversified Fixed Income Fund (PSG) SF824

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT

a) Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023. The following sections describe the significant risks that are relevant to the Fund.

The Fund employs a passive investment strategy whereby investments in underlying funds are based on target asset weightings. The target weightings allocated to each underlying fund and the selection of underlying funds are based on several factors, including impact to the Fund's volatility and asset class diversification. Significant changes to the selection of underlying funds or the target asset weightings attributed to each underlying fund require contractholder notification. To assist with managing risk, the Fund Manager also maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and other regulations. Financial statements for the underlying funds, which include discussions about their respective risk exposure, are available upon request.

b) Liquidity Risk

Liquidity risk arises when a Fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units. As the Fund primarily invests all of its net assets in the underlying funds, liquidity risk is mitigated by the underlying funds' ability to meet the obligation to fund daily cash redemptions of their redeemable units/shares. In addition, the underlying funds retain sufficient cash and cash equivalent positions to maintain adequate liquidity.

c) Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The Fund's investments in all underlying funds are denominated in Canadian dollars. However, the Fund is indirectly exposed to currency risk to the extent that the investments of the underlying funds are denominated or traded in a foreign currency.

d) Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund does not directly hold any interest-bearing financial instruments. The Fund is indirectly exposed to the risk that the value of interest-bearing financial instruments held by the underlying funds will fluctuate due to changes in the prevailing levels of market interest rates.

e) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund has no direct exposure to credit risk. The greatest indirect concentration of credit risk is in debt securities, such as bonds, held by underlying funds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer. The carrying amount of debt investments represents the maximum credit risk exposure as at December 31, 2023.

f) Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. For the instruments held by the Fund, maximum risk of loss is equivalent to their fair value. The Fund Manager moderates this risk through a careful selection of underlying funds within the parameters of the investment strategy.

Diversified Fixed Income Fund (PSG) SF824

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT (continued)

g) Fair Value Classification

Investment Fund Units are recorded at fair value, which is the closing NAV per unit of the underlying fund. This valuation is considered to be a Level 2 classification.

Diversified Fixed Income Fund (PSG) SF824

Supplemental Information *(unaudited)*

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾

For the years ended December 31	2023	2022	2021	2020	2019
75/75 guarantee policy	2.16	2.17	2.17	2.10	2.10
75/100 guarantee policy	2.28	2.28	2.29	2.21	2.21
100/100 guarantee policy	2.50	2.51	2.51	2.43	2.43
PS1 75/75 guarantee policy	1.59	1.58	1.59	1.53	1.54
PS1 75/100 guarantee policy	1.64	1.64	1.65	1.59	1.59
PS1 100/100 guarantee policy	1.75	1.75	1.75	1.70	—
PS 75/75 guarantee policy	1.60	1.60	1.61	1.55	1.56
PS 75/100 guarantee policy	1.72	1.71	1.72	1.66	1.66
PPS 75/75 guarantee policy	1.02	1.02	1.02	0.99	—
PPS 75/100 guarantee policy	1.08	1.08	1.08	1.04	1.04
PPS 100/100 guarantee policy	—	—	1.19	—	—

Portfolio Turnover Rate (%) ⁽²⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	9.51	13.31	14.57	4.06	5.58

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
EQUITY/BOND FUND (GLC) SF825

December 31, 2023

Independent Auditor's Report

To the Contractholders of Equity/Bond Fund (GLC) SF825 (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

Equity/Bond Fund (GLC) SF825

(in Canadian \$ thousands)

Fund Manager: Mackenzie Investments

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ —	\$ —
Investment income due and accrued	—	—
Due from The Canada Life Assurance Company (note 8)	—	—
Due from brokers	—	—
Due from outside parties	—	—
Investments		
Investment fund units (note 3)	82,260	40,567
Total investments	82,260	40,567
Total assets	\$ 82,260	\$ 40,567
Liabilities		
Overdrafts	\$ —	\$ —
Due to The Canada Life Assurance Company (note 8)	—	—
Due to brokers	—	—
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	—	—
Net assets attributable to contractholders	\$ 82,260	\$ 40,567

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 6,133	\$ (128)
Miscellaneous income (loss)	—	—
Total income (loss)	6,133	(128)
Expenses		
Management fees (note 8)	1,347	597
Other	134	60
Total expenses	1,481	657
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 4,652	\$ (785)

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year		
	\$ 40,567	\$ 16,937
Contractholder deposits	44,520	26,558
Contractholder withdrawals	(7,479)	(2,143)
Increase (decrease) in net assets from operations attributable to contractholders	4,652	(785)
Change in net assets attributable to contractholders	41,693	23,630
Net assets attributable to contractholders - end of year	\$ 82,260	\$ 40,567

Equity/Bond Fund (GLC) SF825

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 4,652	\$ (785)
Adjustments		
Realized (gains) losses	(146)	(759)
Unrealized (gains) losses	(5,987)	887
Gross proceeds of disposition of investments	2,746	22,827
Gross payments for the purchase of investments	(38,306)	(46,585)
	<u>(37,041)</u>	<u>(24,415)</u>
Financing Activities		
Contractholder deposits	44,520	26,558
Contractholder withdrawals	(7,479)	(2,143)
	<u>37,041</u>	<u>24,415</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	—	—
Cash, short-term deposits and overdrafts, beginning of year	—	—
Cash, short-term deposits and overdrafts, end of year	<u>\$ —</u>	<u>\$ —</u>

Equity/Bond Fund (GLC) SF825

Schedule of Investment Portfolio

(in Canadian \$ thousands)

As at December 31, 2023

	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units		
Canadian Growth Balanced Fund 1.94MI	75,407	82,260
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Cash and short-term deposits	5.11%	
Intact Financial Corp.	3.49%	
CAE Inc.	3.31%	
Stantec Inc.	3.30%	
Province of Ontario 3.65% 06-02-2033	3.29%	
Total Investments	75,407	82,260

Equity/Bond Fund (GLC) SF825

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Net Assets Attributable to Contractholders by Category

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
75/75 guarantee policy	602,199	326,702	132,588	88,040	4,073	7,362	3,693	1,587	941	41
75/100 guarantee policy	4,161,160	2,255,534	830,609	493,371	69,882	50,528	25,365	9,908	5,263	706
100/100 guarantee policy	70,505	40,755	8,625	724	—	851	456	103	8	—
PS1 75/75 guarantee policy	257,719	153,450	110,630	51,048	8,821	3,204	1,757	1,336	548	89
PS1 75/100 guarantee policy	1,093,437	565,769	200,578	103,855	3,207	13,502	6,444	2,414	1,113	32
PS1 100/100 guarantee policy	27,188	2,441	—	—	—	333	28	—	—	—
PS2 75/75 guarantee policy	10,643	6,711	3,988	—	—	145	82	50	—	—
PS2 75/100 guarantee policy	104,098	94,487	24,800	26,515	—	1,416	1,158	314	292	—
PS 75/75 guarantee policy	4,852	4,917	13,006	2,926	—	62	58	159	32	—
PS 75/100 guarantee policy	353,335	116,890	68,829	29,957	1,344	4,491	1,361	841	323	14
PPS 75/75 guarantee policy	4,403	—	—	—	—	57	—	—	—	—
PPS 75/100 guarantee policy	23,925	14,013	18,275	533	—	309	165	225	6	—

Net Assets Attributable to Contractholders Per Unit (note 7)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
75/75 guarantee policy	12.23	11.30	11.97	10.69	10.10	0.93	(0.67)
75/100 guarantee policy	12.14	11.25	11.93	10.67	10.10	0.89	(0.68)
100/100 guarantee policy	12.07	11.19	11.89	10.65	—	0.88	(0.70)
PS1 75/75 guarantee policy	12.43	11.45	12.08	10.74	10.11	0.98	(0.63)
PS1 75/100 guarantee policy	12.35	11.39	12.03	10.72	10.10	0.96	(0.64)
PS1 100/100 guarantee policy	12.23	11.31	—	—	—	0.92	(0.66)
PS2 75/75 guarantee policy	13.60	12.26	12.65	—	—	1.34	(0.39)
PS2 75/100 guarantee policy	13.60	12.26	12.65	11.01	—	1.34	(0.39)
PS 75/75 guarantee policy	12.80	11.70	12.26	10.82	—	1.10	(0.56)
PS 75/100 guarantee policy	12.71	11.64	12.22	10.80	10.12	1.07	(0.58)
PPS 75/75 guarantee policy	13.01	—	—	—	—	1.16	—
PPS 75/100 guarantee policy	12.93	11.79	12.32	10.86	—	1.14	(0.53)

Equity/Bond Fund (GLC) SF825

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Equity/Bond Fund (GLC) SF825 (the Fund) is offered by The Canada Life Assurance Company (Canada Life or the Company).

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

Equity/Bond Fund (GLC) SF825

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

Equity/Bond Fund (GLC) SF825

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in note 9 on Financial Instrument Risk Management.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

Equity/Bond Fund (GLC) SF825

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Investment Fund Units

Investment fund units are recorded at fair value, which is the closing net asset value (NAV) per unit of the underlying fund.

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Equity/Bond Fund (GLC) SF825

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

Equity/Bond Fund (GLC) SF825

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

k) Income Allocation

Net gain (loss) on investments, which includes realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the NAV per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

3. INVESTMENT FUND UNITS

Investment fund units of the Fund invest solely in units of other segregated investment funds of Canada Life. Units are valued based on the closing unit values of the underlying funds.

Investment activity of the underlying fund indirectly exposes the Fund to financial risk. See note 9 on Financial Instrument Risk Management.

Equity/Bond Fund (GLC) SF825

Notes to the Financial Statements

(in Canadian \$ thousands)

4. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

The categories of units are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

Equity/Bond Fund (GLC) SF825

Notes to the Financial Statements

(in Canadian \$ thousands)

5. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

6. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

7. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

Equity/Bond Fund (GLC) SF825

Notes to the Financial Statements

(in Canadian \$ thousands)

8. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.
- c) The Fund invests in assets or underlying funds managed by Mackenzie Financial Corporation, which operates as Mackenzie Investments. All investment transactions with the corresponding underlying funds are at quoted market prices.

Equity/Bond Fund (GLC) SF825

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT

a) Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023. The following sections describe the significant risks that are relevant to the Fund.

The Fund employs a passive investment strategy whereby investments in underlying funds are based on target asset weightings. The target weightings allocated to each underlying fund and the selection of underlying funds are based on several factors, including impact to the Fund's volatility and asset class diversification. Significant changes to the selection of underlying funds or the target asset weightings attributed to each underlying fund require contractholder notification. To assist with managing risk, the Fund Manager also maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and other regulations. Financial statements for the underlying funds, which include discussions about their respective risk exposure, are available upon request.

b) Liquidity Risk

Liquidity risk arises when a Fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units. As the Fund primarily invests all of its net assets in the underlying funds, liquidity risk is mitigated by the underlying funds' ability to meet the obligation to fund daily cash redemptions of their redeemable units/shares. In addition, the underlying funds retain sufficient cash and cash equivalent positions to maintain adequate liquidity.

c) Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The Fund's investments in all underlying funds are denominated in Canadian dollars. However, the Fund is indirectly exposed to currency risk to the extent that the investments of the underlying funds are denominated or traded in a foreign currency.

d) Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund does not directly hold any interest-bearing financial instruments. The Fund is indirectly exposed to the risk that the value of interest-bearing financial instruments held by the underlying funds will fluctuate due to changes in the prevailing levels of market interest rates.

e) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund has no direct exposure to credit risk. The greatest indirect concentration of credit risk is in debt securities, such as bonds, held by underlying funds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer. The carrying amount of debt investments represents the maximum credit risk exposure as at December 31, 2023.

f) Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. For the instruments held by the Fund, maximum risk of loss is equivalent to their fair value. The Fund Manager moderates this risk through a careful selection of underlying funds within the parameters of the investment strategy.

Equity/Bond Fund (GLC) SF825

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT (continued)

g) Fair Value Classification

Investment Fund Units are recorded at fair value, which is the closing NAV per unit of the underlying fund. This valuation is considered to be a Level 2 classification.

Equity/Bond Fund (GLC) SF825

Supplemental Information (unaudited)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾

For the years ended December 31	2023	2022	2021	2020	2019
75/75 guarantee policy	2.58	2.59	2.57	2.52	2.54
75/100 guarantee policy	2.74	2.75	2.74	2.69	2.70
100/100 guarantee policy	2.90	2.90	2.90	2.86	—
PS1 75/75 guarantee policy	2.18	2.17	2.17	2.12	2.14
PS1 75/100 guarantee policy	2.34	2.35	2.33	2.28	2.30
PS1 100/100 guarantee policy	2.56	2.57	—	—	—
PS 75/75 guarantee policy	1.48	1.50	1.46	1.44	—
PS 75/100 guarantee policy	1.65	1.64	1.63	1.59	1.61
PPS 75/75 guarantee policy	1.08	—	—	—	—
PPS 75/100 guarantee policy	1.25	1.25	1.24	1.21	—

Portfolio Turnover Rate (%) ⁽²⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	4.55	85.53	53.89	9.53	0.05

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
GLOBAL GROWTH BALANCED FUND 1.05TRP

December 31, 2023

Independent Auditor's Report

To the Contractholders of Global Growth Balanced Fund 1.05TRP (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

Global Growth Balanced Fund 1.05TRP

(in Canadian \$ thousands)

Fund Manager: T Rowe Price (Canada), Inc.

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ —	\$ —
Investment income due and accrued	—	—
Due from The Canada Life Assurance Company (note 8)	—	—
Due from brokers	—	—
Due from outside parties	—	—
Investments		
Investment fund units (note 3)	66,248	55,783
Total investments	66,248	55,783
Total assets	\$ 66,248	\$ 55,783
Liabilities		
Overdrafts	\$ —	\$ —
Due to The Canada Life Assurance Company (note 8)	—	—
Due to brokers	—	—
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	—	—
Net assets attributable to contractholders	\$ 66,248	\$ 55,783

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 9,332	\$ (15,063)
Miscellaneous income (loss)	—	—
Total income (loss)	9,332	(15,063)
Expenses		
Management fees (note 8)	1,431	1,365
Other	169	159
Total expenses	1,600	1,524
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 7,732	\$ (16,587)

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year	\$ 55,783	\$ 73,619
Contractholder deposits	8,572	2,383
Contractholder withdrawals	(5,839)	(3,632)
Increase (decrease) in net assets from operations attributable to contractholders	7,732	(16,587)
Change in net assets attributable to contractholders	10,465	(17,836)
Net assets attributable to contractholders - end of year	\$ 66,248	\$ 55,783

Global Growth Balanced Fund 1.05TRP

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 7,732	\$ (16,587)
Adjustments		
Realized (gains) losses	574	1,047
Unrealized (gains) losses	(9,906)	14,016
Gross proceeds of disposition of investments	6,022	9,921
Gross payments for the purchase of investments	(7,155)	(7,148)
	<u>(2,733)</u>	<u>1,249</u>
Financing Activities		
Contractholder deposits	8,572	2,383
Contractholder withdrawals	(5,839)	(3,632)
	<u>2,733</u>	<u>(1,249)</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	—	—
Cash, short-term deposits and overdrafts, beginning of year	—	—
Cash, short-term deposits and overdrafts, end of year	<u>\$ —</u>	<u>\$ —</u>

Global Growth Balanced Fund 1.05TRP

Schedule of Investment Portfolio

(in Canadian \$ thousands)

As at December 31, 2023

	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units		
Global Growth Equity Fund 1.07TRP	40,146	39,672
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Microsoft Corp.	4.48%	
Apple Inc.	3.66%	
Amazon.com Inc.	3.07%	
NVIDIA Corp.	2.95%	
Alphabet Inc. Class C	2.65%	
Global Multi-Sector Bond Fund 1.06TRP	27,112	26,576
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Republic of Malaysia 4.498% 04-15-2030	4.19%	
T. Rowe Price SICAV Diversified Income Bond Class S	3.22%	
T. Rowe Price SICAV Global High Yield Bond SD	3.07%	
United States Treasury 4.625% 09-15-2026	2.78%	
Government of Japan 1.30% 03-20-2063	1.59%	
Total Investments	67,258	66,248

Global Growth Balanced Fund 1.05TRP

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Net Assets Attributable to Contractholders by Category ⁽¹⁾

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
75/75 guarantee policy	718,585	635,253	559,929	98,933	—	8,016	6,250	7,124	1,213	—
75/100 guarantee policy	2,101,680	2,163,315	2,052,860	592,856	—	23,209	21,129	25,997	7,258	—
PS1 75/75 guarantee policy	477,328	368,402	436,471	68,832	—	5,392	3,659	5,586	846	—
PS1 75/100 guarantee policy	2,078,589	1,938,801	1,805,601	408,243	—	23,242	19,112	23,005	5,010	—
PS2 75/75 guarantee policy	51,947	60,090	108,435	49,566	—	642	637	1,445	620	—
PS2 75/100 guarantee policy	250,738	255,566	299,486	70,339	—	3,100	2,709	3,991	878	—
PS 75/75 guarantee policy	22,118	31,634	94,084	2,784	—	257	321	1,220	34	—
PS 75/100 guarantee policy	44,699	55,635	106,285	31,676	—	514	560	1,371	390	—
PPS 75/75 guarantee policy	108,743	80,387	179,189	28,572	—	1,279	822	2,336	354	—
PPS 75/100 guarantee policy	51,276	57,529	118,999	56,022	—	597	584	1,544	692	—

Net Assets Attributable to Contractholders Per Unit ⁽¹⁾ (note 7)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
75/75 guarantee policy	11.16	9.84	12.72	12.26	—	1.32	(2.88)
75/100 guarantee policy	11.04	9.77	12.66	12.24	—	1.27	(2.89)
PS1 75/75 guarantee policy	11.30	9.93	12.80	12.29	—	1.37	(2.87)
PS1 75/100 guarantee policy	11.18	9.86	12.74	12.27	—	1.32	(2.88)
PS2 75/75 guarantee policy	12.36	10.60	13.33	12.48	—	1.76	(2.73)
PS2 75/100 guarantee policy	12.36	10.60	13.33	12.48	—	1.76	(2.73)
PS 75/75 guarantee policy	11.63	10.14	12.97	12.36	—	1.49	(2.83)
PS 75/100 guarantee policy	11.50	10.06	12.90	12.33	—	1.44	(2.84)
PPS 75/75 guarantee policy	11.76	10.23	13.03	12.38	—	1.53	(2.80)
PPS 75/100 guarantee policy	11.64	10.15	12.98	12.36	—	1.49	(2.83)

⁽¹⁾ The Fund commenced on May 11, 2020 and as a result does not have comparative figures for the prior year.

Global Growth Balanced Fund 1.05TRP

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Global Growth Balanced Fund 1.05TRP (the Fund) is offered by The Canada Life Assurance Company (Canada Life or the Company).

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

Global Growth Balanced Fund 1.05TRP

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

Global Growth Balanced Fund 1.05TRP

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in note 9 on Financial Instrument Risk Management.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

Global Growth Balanced Fund 1.05TRP

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Investment Fund Units

Investment fund units are recorded at fair value, which is the closing net asset value (NAV) per unit of the underlying fund.

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Global Growth Balanced Fund 1.05TRP

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

Global Growth Balanced Fund 1.05TRP

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

k) **Income Allocation**

Net gain (loss) on investments, which includes realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the NAV per unit.

l) **Issue and Redemption of Units**

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

3. INVESTMENT FUND UNITS

Investment fund units of the Fund invest solely in units of other segregated investment funds of Canada Life. Units are valued based on the closing unit values of the underlying funds.

Investment activity of the underlying fund indirectly exposes the Fund to financial risk. See note 9 on Financial Instrument Risk Management.

Global Growth Balanced Fund 1.05TRP

Notes to the Financial Statements

(in Canadian \$ thousands)

4. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

The categories of units are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

Global Growth Balanced Fund 1.05TRP

Notes to the Financial Statements

(in Canadian \$ thousands)

5. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

6. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

7. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

Global Growth Balanced Fund 1.05TRP

Notes to the Financial Statements

(in Canadian \$ thousands)

8. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.

Global Growth Balanced Fund 1.05TRP

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT

a) Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023. The following sections describe the significant risks that are relevant to the Fund.

The Fund employs a passive investment strategy whereby investments in underlying funds are based on target asset weightings. The target weightings allocated to each underlying fund and the selection of underlying funds are based on several factors, including impact to the Fund's volatility and asset class diversification. Significant changes to the selection of underlying funds or the target asset weightings attributed to each underlying fund require contractholder notification. To assist with managing risk, the Fund Manager also maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and other regulations. Financial statements for the underlying funds, which include discussions about their respective risk exposure, are available upon request.

b) Liquidity Risk

Liquidity risk arises when a Fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units. As the Fund primarily invests all of its net assets in the underlying funds, liquidity risk is mitigated by the underlying funds' ability to meet the obligation to fund daily cash redemptions of their redeemable units/shares. In addition, the underlying funds retain sufficient cash and cash equivalent positions to maintain adequate liquidity.

c) Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The Fund's investments in all underlying funds are denominated in Canadian dollars. However, the Fund is indirectly exposed to currency risk to the extent that the investments of the underlying funds are denominated or traded in a foreign currency.

d) Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund does not directly hold any interest-bearing financial instruments. The Fund is indirectly exposed to the risk that the value of interest-bearing financial instruments held by the underlying funds will fluctuate due to changes in the prevailing levels of market interest rates.

e) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund has no direct exposure to credit risk. The greatest indirect concentration of credit risk is in debt securities, such as bonds, held by underlying funds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer. The carrying amount of debt investments represents the maximum credit risk exposure as at December 31, 2023.

f) Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. For the instruments held by the Fund, maximum risk of loss is equivalent to their fair value. The Fund Manager moderates this risk through a careful selection of underlying funds within the parameters of the investment strategy.

Global Growth Balanced Fund 1.05TRP

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT (continued)

g) Fair Value Classification

Investment Fund Units are recorded at fair value, which is the closing NAV per unit of the underlying fund. This valuation is considered to be a Level 2 classification.

Global Growth Balanced Fund 1.05TRP

Supplemental Information (unaudited)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾⁽⁴⁾

For the years ended December 31	2023	2022	2021	2020	2019
75/75 guarantee policy	2.83	2.82	2.85	2.81	—
75/100 guarantee policy	3.11	3.10	3.13	3.09	—
PS1 75/75 guarantee policy	2.51	2.50	2.48	2.41	—
PS1 75/100 guarantee policy	2.78	2.77	2.76	2.69	—
PS 75/75 guarantee policy	1.71	1.72	1.71	1.72	—
PS 75/100 guarantee policy	1.99	1.99	1.99	1.99	—
PPS 75/75 guarantee policy	1.39	1.39	1.37	1.30	—
PPS 75/100 guarantee policy	1.67	1.67	1.65	1.59	—

Unsubsidized Management Expense Ratio (%) ⁽²⁾⁽⁴⁾

For the years ended December 31	2023	2022	2021	2020	2019
PS1 75/75 guarantee policy	2.54	2.53	2.53	2.52	—
PS1 75/100 guarantee policy	2.81	2.80	2.81	2.80	—
PPS 75/75 guarantee policy	1.42	1.42	1.42	1.41	—
PPS 75/100 guarantee policy	1.70	1.70	1.70	1.70	—

Portfolio Turnover Rate (%) ⁽³⁾⁽⁴⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	9.81	11.58	1.85	0.96	—

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The Company has waived a portion of the fees for the Preferred Series 1 and Preferred Partner Series guarantee policies. There is no obligation for the Company to continue waiving these fees and it may cease to do so at any time without notice.

(3) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

(4) The Fund commenced on May 11, 2020 and as a result does not have comparative figures for the prior year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
RISK-MANAGED CONSERVATIVE INCOME PORTFOLIO FUND 1.21IL

December 31, 2023

Independent Auditor's Report

To the Contractholders of Risk-Managed Conservative Income Portfolio Fund 1.21IL (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

Risk-Managed Conservative Income Portfolio Fund 1.21IL

(in Canadian \$ thousands)

Fund Manager: Irish Life Investment Managers Limited (ILIM)

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ —	\$ —
Investment income due and accrued	—	—
Due from The Canada Life Assurance Company (note 8)	—	—
Due from brokers	—	—
Due from outside parties	—	—
Investments		
Investment fund units (note 3)	80,918	79,286
Total investments	80,918	79,286
Total assets	\$ 80,918	\$ 79,286
Liabilities		
Overdrafts	\$ —	\$ —
Due to The Canada Life Assurance Company (note 8)	—	—
Due to brokers	—	—
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	—	—
Net assets attributable to contractholders	\$ 80,918	\$ 79,286

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 6,828	\$ (6,175)
Miscellaneous income (loss)	—	—
Total income (loss)	6,828	(6,175)
Expenses		
Management fees (note 8)	1,358	1,254
Other	160	151
Total expenses	1,518	1,405
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 5,310	\$ (7,580)

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year		
	\$ 79,286	\$ 73,155
Contractholder deposits	12,946	29,452
Contractholder withdrawals	(16,624)	(15,741)
Increase (decrease) in net assets from operations attributable to contractholders	5,310	(7,580)
Change in net assets attributable to contractholders	1,632	6,131
Net assets attributable to contractholders - end of year	\$ 80,918	\$ 79,286

Risk-Managed Conservative Income Portfolio Fund 1.21IL

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 5,310	\$ (7,580)
Adjustments		
Realized (gains) losses	875	695
Unrealized (gains) losses	(7,703)	5,480
Gross proceeds of disposition of investments	58,335	21,447
Gross payments for the purchase of investments	(53,139)	(33,753)
	<u>3,678</u>	<u>(13,711)</u>
Financing Activities		
Contractholder deposits	12,946	29,452
Contractholder withdrawals	(16,624)	(15,741)
	<u>(3,678)</u>	<u>13,711</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	—	—
Cash, short-term deposits and overdrafts, beginning of year	—	—
Cash, short-term deposits and overdrafts, end of year	<u>\$ —</u>	<u>\$ —</u>

Risk-Managed Conservative Income Portfolio Fund 1.21IL

Schedule of Investment Portfolio

(in Canadian \$ thousands)

As at December 31, 2023

	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units		
Canadian Equity Index ETF Fund 1.96MI	3,374	3,667
<i>Top Holdings:</i>	<i>% of Total</i>	
Mackenzie Canadian Equity Index ETF *	100.00%	
Developed Markets ex-U.S. Index ETF Fund 1.98MI	1,557	1,627
<i>Top Holdings:</i>	<i>% of Total</i>	
Vanguard FTSE Developed Markets ETF	100.00%	
Emerging Markets Bond Index ETF Fund 2.04MI	1,537	1,625
<i>Top Holdings:</i>	<i>% of Total</i>	
Mackenzie Emerging Markets Bond Index ETF *	100.00%	
Emerging Markets Local Currency Bond Index ETF Fund 2.19MI	1,514	1,607
<i>Top Holdings:</i>	<i>% of Total</i>	
Mackenzie Emerging Markets Local Currency Bond Index ETF *	100.00%	
Fixed Income Fund 2.55IL	27,871	29,097
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Mackenzie Canadian Aggregate Bond Index ETF *	62.67%	
Mackenzie Canadian All Corporate Bond Index ETF *	24.82%	
iShares 20 + Year US Treasury Bond Hedged to CAD Index ETF	9.06%	
Mackenzie Canadian Short Term Bond Index ETF *	2.97%	
Cash and short-term deposits	0.48%	
Global Dividend Fund (SAM) SF528	1,417	1,625
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
CRH PLC	4.21%	
DCC PLC	3.99%	
Sanofi SA	3.79%	
Novartis AG	3.75%	
Allianz SE	3.57%	

*The issuer of this security is a related company to the issuer of the Fund.

Risk-Managed Conservative Income Portfolio Fund 1.21IL

Schedule of Investment Portfolio

(in Canadian \$ thousands)

As at December 31, 2023

	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units (continued)		
Global Founders Fund 1.00BG	1,387	1,626
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Amgen Inc.	3.59%	
Qualcomm Inc.	3.33%	
NetApp Inc.	3.29%	
American Express Co.	3.21%	
Amdocs Ltd.	2.85%	
Global Low Vol Fund (ILIM) SF561	1,924	2,025
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Vanguard S&P 500 ETF	3.63%	
Vanguard FTSE Developed Markets ETF	2.46%	
Apple Inc.	2.41%	
Microsoft Corp.	2.11%	
Regions Financial Corp.	1.41%	
Global Multi-Sector Bond Fund 1.06TRP	4,847	4,858
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Republic of Malaysia 4.498% 04-15-2030	4.19%	
T. Rowe Price SICAV Diversified Income Bond Class S	3.22%	
T. Rowe Price SICAV Global High Yield Bond SD	3.07%	
United States Treasury 4.625% 09-15-2026	2.78%	
Government of Japan 1.30% 03-20-2063	1.59%	
Money Market Fund (Laketon) SF029	3,802	4,040
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
National Bank of Canada Floating Rate 02-07-2024	5.00%	
The Toronto-Dominion Bank 2.85% 03-08-2024	4.32%	
Royal Bank of Canada 2.609% 11-01-2024	3.39%	
The Bank of Nova Scotia Floating Rate 03-28-2024	3.39%	
City of Montreal 02-29-2024	3.16%	
Pathways Canadian Equity Fund (GWLIM) SF543	2,580	2,849
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Royal Bank of Canada	7.64%	
The Toronto-Dominion Bank	6.60%	
Bank of Montreal	4.89%	
Canadian Natural Resources Ltd.	4.03%	
Canadian Pacific Kansas City Ltd.	3.70%	

Risk-Managed Conservative Income Portfolio Fund 1.21IL

Schedule of Investment Portfolio

(in Canadian \$ thousands)

As at December 31, 2023

	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units (continued)		
Pathways Global Multi Sector Bond Fund (Brandywine) SF542	8,129	8,098
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
United States Treasury Floating Rate 01-31-2025	21.14%	
Cash and short-term deposits	6.08%	
United Kingdom Gilt 3.75% 10-22-2053	5.77%	
United Mexican States 8.00% 07-31-2053	4.47%	
Republic of Columbia 7.00% 03-26-2031	3.79%	
Pathways Global Tactical Fund (ILIM) SF551	1,776	2,023
<i>Top Holdings:</i>	<i>% of Total</i>	
Vanguard S&P 500 ETF	71.98%	
Vanguard FTSE Developed Markets ETF	27.66%	
Cash and short-term deposits	0.36%	
Risk Reduction Pool Fund 1.42IL	12,931	14,522
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
SPDR S&P 500 ETF Trust	88.06%	
Cash and short-term deposits	11.23%	
PUT SPX 12-20-2024	0.49%	
PUT SPX 06-21-2024	0.12%	
PUT SPX 03-15-2024	0.10%	
U.S. High Yield Bond Index ETF Fund 2.20MI	1,521	1,629
<i>Top Holdings:</i>	<i>% of Total</i>	
Mackenzie US High Yield Bond Hedged to CAD Index ETF *	100.00%	
Total Investments	76,167	80,918

*The issuer of this security is a related company to the issuer of the Fund.

Risk-Managed Conservative Income Portfolio Fund 1.21IL

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Net Assets Attributable to Contractholders by Category ⁽¹⁾

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
75/75 guarantee policy	1,173,862	1,201,015	948,740	288,695	—	11,830	11,333	9,932	2,936	—
75/100 guarantee policy	2,819,415	2,686,109	2,175,388	429,709	—	28,167	25,195	22,702	4,367	—
PS1 75/75 guarantee policy	556,285	479,128	475,502	57,970	—	5,649	4,544	4,992	590	—
PS1 75/100 guarantee policy	2,070,560	2,103,028	2,132,975	370,940	—	20,953	19,900	22,364	3,773	—
PS2 75/75 guarantee policy	40,806	93,002	104,503	11,221	—	440	918	1,120	114	—
PS2 75/100 guarantee policy	165,389	493,096	188,466	1,817	—	1,781	4,868	2,021	19	—
PS 75/75 guarantee policy	158,769	195,908	194,540	13,210	—	1,643	1,882	2,056	134	—
PS 75/100 guarantee policy	444,508	442,654	351,930	19,736	—	4,559	4,227	3,708	201	—
PPS 75/75 guarantee policy	107,832	202,598	123,169	47,469	—	1,124	1,956	1,305	483	—
PPS 75/100 guarantee policy	459,415	463,350	279,162	—	—	4,772	4,463	2,955	—	—

Net Assets Attributable to Contractholders Per Unit ⁽¹⁾ (note 7)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
75/75 guarantee policy	10.08	9.44	10.47	10.17	—	0.64	(1.03)
75/100 guarantee policy	9.99	9.38	10.44	10.16	—	0.61	(1.06)
PS1 75/75 guarantee policy	10.15	9.48	10.50	10.17	—	0.67	(1.02)
PS1 75/100 guarantee policy	10.12	9.46	10.48	10.17	—	0.66	(1.02)
PS2 75/75 guarantee policy	10.77	9.87	10.72	10.20	—	0.90	(0.85)
PS2 75/100 guarantee policy	10.77	9.87	10.72	10.20	—	0.90	(0.85)
PS 75/75 guarantee policy	10.35	9.61	10.57	10.18	—	0.74	(0.96)
PS 75/100 guarantee policy	10.26	9.55	10.54	10.18	—	0.71	(0.99)
PPS 75/75 guarantee policy	10.43	9.66	10.60	10.19	—	0.77	(0.94)
PPS 75/100 guarantee policy	10.39	9.63	10.58	—	—	0.76	(0.95)

⁽¹⁾ The Fund commenced on November 4, 2020 and as a result does not have comparative figures for the prior year.

Risk-Managed Conservative Income Portfolio Fund 1.21IL

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Risk-Managed Conservative Income Portfolio Fund 1.21IL (the Fund) is offered by The Canada Life Assurance Company (Canada Life or the Company).

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

Risk-Managed Conservative Income Portfolio Fund 1.21IL

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

Risk-Managed Conservative Income Portfolio Fund 1.21IL

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in note 9 on Financial Instrument Risk Management.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

Risk-Managed Conservative Income Portfolio Fund 1.21IL

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Investment Fund Units

Investment fund units are recorded at fair value, which is the closing net asset value (NAV) per unit of the underlying fund.

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Risk-Managed Conservative Income Portfolio Fund 1.21IL

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

Risk-Managed Conservative Income Portfolio Fund 1.21IL

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

k) Income Allocation

Net gain (loss) on investments, which includes realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the NAV per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

3. INVESTMENT FUND UNITS

Investment fund units of the Fund invest solely in units of other segregated investment funds of Canada Life. Units are valued based on the closing unit values of the underlying funds.

Investment activity of the underlying fund indirectly exposes the Fund to financial risk. See note 9 on Financial Instrument Risk Management.

Risk-Managed Conservative Income Portfolio Fund 1.21IL

Notes to the Financial Statements

(in Canadian \$ thousands)

4. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

The categories of units are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

Risk-Managed Conservative Income Portfolio Fund 1.21IL

Notes to the Financial Statements

(in Canadian \$ thousands)

5. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

6. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

7. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

Risk-Managed Conservative Income Portfolio Fund 1.21IL

Notes to the Financial Statements

(in Canadian \$ thousands)

8. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.
- c) The Fund invests in assets or underlying funds managed by Irish Life Investment Managers Limited. All investment transactions with the corresponding underlying funds are at quoted market prices.

Risk-Managed Conservative Income Portfolio Fund 1.21IL

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT

a) Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023. The following sections describe the significant risks that are relevant to the Fund.

The Fund employs a passive investment strategy whereby investments in underlying funds are based on target asset weightings. The target weightings allocated to each underlying fund and the selection of underlying funds are based on several factors, including impact to the Fund's volatility and asset class diversification. Significant changes to the selection of underlying funds or the target asset weightings attributed to each underlying fund require contractholder notification. To assist with managing risk, the Fund Manager also maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and other regulations. Financial statements for the underlying funds, which include discussions about their respective risk exposure, are available upon request.

b) Liquidity Risk

Liquidity risk arises when a Fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units. As the Fund primarily invests all of its net assets in the underlying funds, liquidity risk is mitigated by the underlying funds' ability to meet the obligation to fund daily cash redemptions of their redeemable units/shares. In addition, the underlying funds retain sufficient cash and cash equivalent positions to maintain adequate liquidity.

c) Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The Fund's investments in all underlying funds are denominated in Canadian dollars. However, the Fund is indirectly exposed to currency risk to the extent that the investments of the underlying funds are denominated or traded in a foreign currency.

d) Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund does not directly hold any interest-bearing financial instruments. The Fund is indirectly exposed to the risk that the value of interest-bearing financial instruments held by the underlying funds will fluctuate due to changes in the prevailing levels of market interest rates.

e) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund has no direct exposure to credit risk. The greatest indirect concentration of credit risk is in debt securities, such as bonds, held by underlying funds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer. The carrying amount of debt investments represents the maximum credit risk exposure as at December 31, 2023.

f) Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. For the instruments held by the Fund, maximum risk of loss is equivalent to their fair value. The Fund Manager moderates this risk through a careful selection of underlying funds within the parameters of the investment strategy.

Risk-Managed Conservative Income Portfolio Fund 1.21IL

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT (continued)

g) Fair Value Classification

Investment Fund Units are recorded at fair value, which is the closing NAV per unit of the underlying fund. This valuation is considered to be a Level 2 classification.

Risk-Managed Conservative Income Portfolio Fund 1.21IL

Supplemental Information (unaudited)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾⁽⁴⁾

For the years ended December 31	2023	2022	2021	2020	2019
75/75 guarantee policy	2.12	2.13	2.08	2.07	—
75/100 guarantee policy	2.40	2.41	2.37	2.35	—
PS1 75/75 guarantee policy	1.88	1.90	1.86	1.82	—
PS1 75/100 guarantee policy	1.99	2.01	1.95	1.93	—
PS 75/75 guarantee policy	1.29	1.30	1.26	1.25	—
PS 75/100 guarantee policy	1.56	1.57	1.53	1.52	—
PPS 75/75 guarantee policy	1.04	1.05	1.03	0.99	—
PPS 75/100 guarantee policy	1.16	1.16	1.13	—	—

Unsubsidized Management Expense Ratio (%) ⁽²⁾⁽⁴⁾

For the years ended December 31	2023	2022	2021	2020	2019
PS1 75/75 guarantee policy	1.88	1.90	1.86	1.84	—
PS1 75/100 guarantee policy	1.99	2.01	1.95	1.95	—
PPS 75/75 guarantee policy	1.04	1.05	1.03	1.01	—

Portfolio Turnover Rate (%) ⁽³⁾⁽⁴⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	66.03	28.01	8.74	3.78	—

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The Company has waived a portion of the fees for the Preferred Series 1 and Preferred Partner Series guarantee policies. There is no obligation for the Company to continue waiving these fees and it may cease to do so at any time without notice.

(3) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

(4) The Fund commenced on November 4, 2020 and as a result does not have comparative figures for the prior year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
RISK-MANAGED BALANCED PORTFOLIO FUND 1.22IL

December 31, 2023

Independent Auditor's Report

To the Contractholders of Risk-Managed Balanced Portfolio Fund 1.22IL (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

Risk-Managed Balanced Portfolio Fund 1.22IL

(in Canadian \$ thousands)

Fund Manager: Irish Life Investment Managers Limited (ILIM)

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ —	\$ —
Investment income due and accrued	—	—
Due from The Canada Life Assurance Company (note 8)	—	—
Due from brokers	—	—
Due from outside parties	—	—
Investments		
Investment fund units (note 3)	145,870	126,600
Total investments	145,870	126,600
Total assets	\$ 145,870	\$ 126,600
Liabilities		
Overdrafts	\$ —	\$ —
Due to The Canada Life Assurance Company (note 8)	—	—
Due to brokers	—	—
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	—	—
Net assets attributable to contractholders	\$ 145,870	\$ 126,600

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 13,276	\$ (8,129)
Miscellaneous income (loss)	—	—
Total income (loss)	13,276	(8,129)
Expenses		
Management fees (note 8)	2,433	2,156
Other	251	226
Total expenses	2,684	2,382
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 10,592	\$ (10,511)

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year	\$ 126,600	\$ 107,038
Contractholder deposits	27,974	41,328
Contractholder withdrawals	(19,296)	(11,255)
Increase (decrease) in net assets from operations attributable to contractholders	10,592	(10,511)
Change in net assets attributable to contractholders	19,270	19,562
Net assets attributable to contractholders - end of year	\$ 145,870	\$ 126,600

Risk-Managed Balanced Portfolio Fund 1.22IL

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 10,592	\$ (10,511)
Adjustments		
Realized (gains) losses	(1,067)	893
Unrealized (gains) losses	(12,209)	7,236
Gross proceeds of disposition of investments	66,227	25,451
Gross payments for the purchase of investments	(72,221)	(53,142)
	<u>(8,678)</u>	<u>(30,073)</u>
Financing Activities		
Contractholder deposits	27,974	41,328
Contractholder withdrawals	(19,296)	(11,255)
	<u>8,678</u>	<u>30,073</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	—	—
Cash, short-term deposits and overdrafts, beginning of year	—	—
Cash, short-term deposits and overdrafts, end of year	<u>\$ —</u>	<u>\$ —</u>

Risk-Managed Balanced Portfolio Fund 1.22IL

Schedule of Investment Portfolio

(in Canadian \$ thousands)

As at December 31, 2023

	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units		
Canadian Equity Index ETF Fund 1.96MI	9,467	10,269
<i>Top Holdings:</i>	<i>% of Total</i>	
Mackenzie Canadian Equity Index ETF *	100.00%	
Developed Markets ex-U.S. Index ETF Fund 1.98MI	5,698	6,161
<i>Top Holdings:</i>	<i>% of Total</i>	
Vanguard FTSE Developed Markets ETF	100.00%	
Emerging Markets Bond Index ETF Fund 2.04MI	2,765	2,926
<i>Top Holdings:</i>	<i>% of Total</i>	
Mackenzie Emerging Markets Bond Index ETF *	100.00%	
Emerging Markets Local Currency Bond Index ETF Fund 2.19MI	2,742	2,908
<i>Top Holdings:</i>	<i>% of Total</i>	
Mackenzie Emerging Markets Local Currency Bond Index ETF *	100.00%	
Fixed Income Fund 2.55IL	25,106	26,226
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Mackenzie Canadian Aggregate Bond Index ETF *	62.67%	
Mackenzie Canadian All Corporate Bond Index ETF *	24.82%	
iShares 20 + Year US Treasury Bond Hedged to CAD Index ETF	9.06%	
Mackenzie Canadian Short Term Bond Index ETF *	2.97%	
Cash and short-term deposits	0.48%	

*The issuer of this security is a related company to the issuer of the Fund.

Risk-Managed Balanced Portfolio Fund 1.22IL

Schedule of Investment Portfolio

(in Canadian \$ thousands)

As at December 31, 2023

	Average Cost	Fair Value
Investment Fund Units (continued)		
Global Dividend Fund (SAM) SF528	3,813	4,388
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
CRH PLC	4.21%	
DCC PLC	3.99%	
Sanofi SA	3.79%	
Novartis AG	3.75%	
Allianz SE	3.57%	
Global Founders Fund 1.00BG	3,719	4,384
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Amgen Inc.	3.59%	
Qualcomm Inc.	3.33%	
NetApp Inc.	3.29%	
American Express Co.	3.21%	
Amdocs Ltd.	2.85%	
Global Low Vol Fund (ILIM) SF561	5,540	5,835
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Vanguard S&P 500 ETF	3.63%	
Vanguard FTSE Developed Markets ETF	2.46%	
Apple Inc.	2.41%	
Microsoft Corp.	2.11%	
Regions Financial Corp.	1.41%	
Global Multi-Sector Bond Fund 1.06TRP	8,816	8,757
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Republic of Malaysia 4.498% 04-15-2030	4.19%	
T. Rowe Price SICAV Diversified Income Bond Class S	3.22%	
T. Rowe Price SICAV Global High Yield Bond SD	3.07%	
United States Treasury 4.625% 09-15-2026	2.78%	
Government of Japan 1.30% 03-20-2063	1.59%	
Money Market Fund (Laketon) SF029	4,113	4,371
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
National Bank of Canada Floating Rate 02-07-2024	5.00%	
The Toronto-Dominion Bank 2.85% 03-08-2024	4.32%	
Royal Bank of Canada 2.609% 11-01-2024	3.39%	
The Bank of Nova Scotia Floating Rate 03-28-2024	3.39%	
City of Montreal 02-29-2024	3.16%	

Risk-Managed Balanced Portfolio Fund 1.22IL

Schedule of Investment Portfolio

(in Canadian \$ thousands)

As at December 31, 2023

	Average Cost	Fair Value
Investment Fund Units (continued)		
Pathways Canadian Equity Fund (GWLIM) SF543	9,202	10,271
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Royal Bank of Canada	7.64%	
The Toronto-Dominion Bank	6.60%	
Bank of Montreal	4.89%	
Canadian Natural Resources Ltd.	4.03%	
Canadian Pacific Kansas City Ltd.	3.70%	
Pathways Global Multi Sector Bond Fund (Brandywine) SF542	14,597	14,572
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
United States Treasury Floating Rate 01-31-2025	21.14%	
Cash and short-term deposits	6.08%	
United Kingdom Gilt 3.75% 10-22-2053	5.77%	
United Mexican States 8.00% 07-31-2053	4.47%	
Republic of Columbia 7.00% 03-26-2031	3.79%	
Pathways Global Tactical Fund (ILIM) SF551	5,103	5,821
<i>Top Holdings:</i>	<i>% of Total</i>	
Vanguard S&P 500 ETF	71.98%	
Vanguard FTSE Developed Markets ETF	27.66%	
Cash and short-term deposits	0.36%	
Risk Reduction Pool Fund 1.42IL	29,666	33,428
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
SPDR S&P 500 ETF Trust	88.06%	
Cash and short-term deposits	11.23%	
PUT SPX 12-20-2024	0.49%	
PUT SPX 06-21-2024	0.12%	
PUT SPX 03-15-2024	0.10%	
U.S. Equity Large Cap Index ETF Fund 1.97MI	2,194	2,616
<i>Top Holdings:</i>	<i>% of Total</i>	
Vanguard S&P 500 ETF	100.00%	

Risk-Managed Balanced Portfolio Fund 1.22IL

Schedule of Investment Portfolio

(in Canadian \$ thousands)

As at December 31, 2023

	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units (continued)		
U.S. High Yield Bond Index ETF Fund 2.20MI	2,740	2,937
<i>Top Holdings:</i>	<i>% of Total</i>	
Mackenzie US High Yield Bond Hedged to CAD Index ETF *	100.00%	
Total Investments	135,281	145,870

*The issuer of this security is a related company to the issuer of the Fund.

Risk-Managed Balanced Portfolio Fund 1.22IL

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Net Assets Attributable to Contractholders by Category ⁽¹⁾

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
75/75 guarantee policy	1,468,750	1,347,874	1,013,138	170,165	—	15,576	13,272	11,007	1,742	—
75/100 guarantee policy	4,010,613	3,790,325	2,920,289	364,092	—	42,165	37,102	31,626	3,725	—
PS1 75/75 guarantee policy	1,018,170	1,449,515	1,200,848	85,077	—	10,863	14,332	13,074	871	—
PS1 75/100 guarantee policy	3,495,902	3,045,908	2,245,279	470,538	—	37,169	30,045	24,415	4,816	—
PS2 75/75 guarantee policy	618,032	409,079	395,838	36,064	—	7,101	4,254	4,427	370	—
PS2 75/100 guarantee policy	1,698,233	1,471,656	1,169,853	89,891	—	19,512	15,304	13,084	924	—
PS 75/75 guarantee policy	196,881	190,072	139,211	6,638	—	2,161	1,916	1,532	68	—
PS 75/100 guarantee policy	484,162	483,635	333,228	42,821	—	5,270	4,848	3,655	439	—
PPS 75/75 guarantee policy	323,723	331,380	252,755	17,616	—	3,576	3,355	2,787	181	—
PPS 75/100 guarantee policy	225,005	215,049	129,911	—	—	2,477	2,172	1,431	—	—

Net Assets Attributable to Contractholders Per Unit ⁽¹⁾ (note 7)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
75/75 guarantee policy	10.60	9.85	10.86	10.23	—	0.75	(1.01)
75/100 guarantee policy	10.51	9.79	10.83	10.23	—	0.72	(1.04)
PS1 75/75 guarantee policy	10.67	9.89	10.89	10.24	—	0.78	(1.00)
PS1 75/100 guarantee policy	10.63	9.86	10.87	10.24	—	0.77	(1.01)
PS2 75/75 guarantee policy	11.49	10.40	11.18	10.27	—	1.09	(0.78)
PS2 75/100 guarantee policy	11.49	10.40	11.18	10.27	—	1.09	(0.78)
PS 75/75 guarantee policy	10.98	10.08	11.00	10.25	—	0.90	(0.92)
PS 75/100 guarantee policy	10.88	10.02	10.97	10.25	—	0.86	(0.95)
PPS 75/75 guarantee policy	11.05	10.12	11.03	10.26	—	0.93	(0.91)
PPS 75/100 guarantee policy	11.01	10.10	11.01	—	—	0.91	(0.91)

⁽¹⁾ The Fund commenced on November 4, 2020 and as a result does not have comparative figures for the prior year.

Risk-Managed Balanced Portfolio Fund 1.22IL

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Risk-Managed Balanced Portfolio Fund 1.22IL (the Fund) is offered by The Canada Life Assurance Company (Canada Life or the Company).

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

Risk-Managed Balanced Portfolio Fund 1.22IL

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

Risk-Managed Balanced Portfolio Fund 1.22IL

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in note 9 on Financial Instrument Risk Management.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

Risk-Managed Balanced Portfolio Fund 1.22IL

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Investment Fund Units

Investment fund units are recorded at fair value, which is the closing net asset value (NAV) per unit of the underlying fund.

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Risk-Managed Balanced Portfolio Fund 1.22IL

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

Risk-Managed Balanced Portfolio Fund 1.22IL

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

k) Income Allocation

Net gain (loss) on investments, which includes realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the NAV per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

3. INVESTMENT FUND UNITS

Investment fund units of the Fund invest solely in units of other segregated investment funds of Canada Life. Units are valued based on the closing unit values of the underlying funds.

Investment activity of the underlying fund indirectly exposes the Fund to financial risk. See note 9 on Financial Instrument Risk Management.

Risk-Managed Balanced Portfolio Fund 1.22IL

Notes to the Financial Statements

(in Canadian \$ thousands)

4. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

The categories of units are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

Risk-Managed Balanced Portfolio Fund 1.22IL

Notes to the Financial Statements

(in Canadian \$ thousands)

5. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

6. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

7. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

Risk-Managed Balanced Portfolio Fund 1.22IL

Notes to the Financial Statements

(in Canadian \$ thousands)

8. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.
- c) The Fund invests in assets or underlying funds managed by Irish Life Investment Managers Limited. All investment transactions with the corresponding underlying funds are at quoted market prices.

Risk-Managed Balanced Portfolio Fund 1.22IL

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT

a) Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023. The following sections describe the significant risks that are relevant to the Fund.

The Fund employs a passive investment strategy whereby investments in underlying funds are based on target asset weightings. The target weightings allocated to each underlying fund and the selection of underlying funds are based on several factors, including impact to the Fund's volatility and asset class diversification. Significant changes to the selection of underlying funds or the target asset weightings attributed to each underlying fund require contractholder notification. To assist with managing risk, the Fund Manager also maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and other regulations. Financial statements for the underlying funds, which include discussions about their respective risk exposure, are available upon request.

b) Liquidity Risk

Liquidity risk arises when a Fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units. As the Fund primarily invests all of its net assets in the underlying funds, liquidity risk is mitigated by the underlying funds' ability to meet the obligation to fund daily cash redemptions of their redeemable units/shares. In addition, the underlying funds retain sufficient cash and cash equivalent positions to maintain adequate liquidity.

c) Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The Fund's investments in all underlying funds are denominated in Canadian dollars. However, the Fund is indirectly exposed to currency risk to the extent that the investments of the underlying funds are denominated or traded in a foreign currency.

d) Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund does not directly hold any interest-bearing financial instruments. The Fund is indirectly exposed to the risk that the value of interest-bearing financial instruments held by the underlying funds will fluctuate due to changes in the prevailing levels of market interest rates.

e) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund has no direct exposure to credit risk. The greatest indirect concentration of credit risk is in debt securities, such as bonds, held by underlying funds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer. The carrying amount of debt investments represents the maximum credit risk exposure as at December 31, 2023.

f) Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. For the instruments held by the Fund, maximum risk of loss is equivalent to their fair value. The Fund Manager moderates this risk through a careful selection of underlying funds within the parameters of the investment strategy.

Risk-Managed Balanced Portfolio Fund 1.22IL

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT (continued)

g) Fair Value Classification

Investment Fund Units are recorded at fair value, which is the closing NAV per unit of the underlying fund. This valuation is considered to be a Level 2 classification.

Risk-Managed Balanced Portfolio Fund 1.22IL

Supplemental Information (unaudited)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾⁽⁴⁾

For the years ended December 31	2023	2022	2021	2020	2019
75/75 guarantee policy	2.54	2.56	2.55	2.52	—
75/100 guarantee policy	2.82	2.83	2.82	2.79	—
PS1 75/75 guarantee policy	2.35	2.36	2.37	2.31	—
PS1 75/100 guarantee policy	2.46	2.47	2.48	2.42	—
PS 75/75 guarantee policy	1.44	1.46	1.44	1.42	—
PS 75/100 guarantee policy	1.72	1.73	1.71	1.69	—
PPS 75/75 guarantee policy	1.25	1.26	1.26	1.21	—
PPS 75/100 guarantee policy	1.36	1.37	1.36	—	—

Unsubsidized Management Expense Ratio (%) ⁽²⁾⁽⁴⁾

For the years ended December 31	2023	2022	2021	2020	2019
PS1 75/75 guarantee policy	2.35	2.38	2.37	2.34	—
PS1 75/100 guarantee policy	2.46	2.49	2.48	2.45	—
PPS 75/75 guarantee policy	1.25	1.28	1.26	1.24	—

Portfolio Turnover Rate (%) ⁽³⁾⁽⁴⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	49.69	21.63	0.92	0.02	—

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The Company has waived a portion of the fees for the Preferred Series 1 and Preferred Partner Series guarantee policies. There is no obligation for the Company to continue waiving these fees and it may cease to do so at any time without notice.

(3) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

(4) The Fund commenced on November 4, 2020 and as a result does not have comparative figures for the prior year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
RISK-MANAGED GROWTH PORTFOLIO FUND 1.23IL

December 31, 2023

Independent Auditor's Report

To the Contractholders of Risk-Managed Growth Portfolio Fund 1.23IL (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

Risk-Managed Growth Portfolio Fund 1.23IL

(in Canadian \$ thousands)

Fund Manager: Irish Life Investment Managers Limited (ILIM)

Statement of Financial Position

	December 31 2023	December 31 2022
Assets		
Cash and short-term deposits	\$ —	\$ —
Investment income due and accrued	—	—
Due from The Canada Life Assurance Company (note 8)	—	—
Due from brokers	—	—
Due from outside parties	—	—
Investments		
Investment fund units (note 3)	50,199	45,150
Total investments	50,199	45,150
Total assets	\$ 50,199	\$ 45,150
Liabilities		
Overdrafts	\$ —	\$ —
Due to The Canada Life Assurance Company (note 8)	—	—
Due to brokers	—	—
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	—	—
Net assets attributable to contractholders	\$ 50,199	\$ 45,150

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
Income		
Net gain (loss) on investments	\$ 5,988	\$ (3,265)
Miscellaneous income (loss)	—	—
Total income (loss)	5,988	(3,265)
Expenses		
Management fees (note 8)	630	466
Other	68	51
Total expenses	698	517
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 5,290	\$ (3,782)

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
Net assets attributable to contractholders - beginning of year		
	\$ 45,150	\$ 36,405
Contractholder deposits	2,954	19,655
Contractholder withdrawals	(3,195)	(7,128)
Increase (decrease) in net assets from operations attributable to contractholders	5,290	(3,782)
Change in net assets attributable to contractholders	5,049	8,745
Net assets attributable to contractholders - end of year	\$ 50,199	\$ 45,150

Risk-Managed Growth Portfolio Fund 1.23IL

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 5,290	\$ (3,782)
Adjustments		
Realized (gains) losses	(813)	368
Unrealized (gains) losses	(5,175)	2,897
Gross proceeds of disposition of investments	17,347	15,823
Gross payments for the purchase of investments	(16,408)	(27,833)
	<u>241</u>	<u>(12,527)</u>
Financing Activities		
Contractholder deposits	2,954	19,655
Contractholder withdrawals	(3,195)	(7,128)
	<u>(241)</u>	<u>12,527</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	—	—
Cash, short-term deposits and overdrafts, beginning of year	—	—
Cash, short-term deposits and overdrafts, end of year	<u>\$ —</u>	<u>\$ —</u>

Risk-Managed Growth Portfolio Fund 1.23IL

Schedule of Investment Portfolio

(in Canadian \$ thousands)

As at December 31, 2023

	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units		
Canadian Equity Index ETF Fund 1.96MI	3,490	3,806
<i>Top Holdings:</i>	<i>% of Total</i>	
Mackenzie Canadian Equity Index ETF *	100.00%	
Developed Markets ex-U.S. Index ETF Fund 1.98MI	2,456	2,717
<i>Top Holdings:</i>	<i>% of Total</i>	
Vanguard FTSE Developed Markets ETF	100.00%	
Emerging Markets Bond Index ETF Fund 2.04MI	963	1,018
<i>Top Holdings:</i>	<i>% of Total</i>	
Mackenzie Emerging Markets Bond Index ETF *	100.00%	
Emerging Markets ETF Fund 1.46GLC	3,679	3,538
<i>Top Holdings:</i>	<i>% of Total</i>	
Vanguard MSCI Emerging Markets ETF	100.00%	
Emerging Markets Local Currency Bond Index ETF Fund 2.19MI	939	999
<i>Top Holdings:</i>	<i>% of Total</i>	
Mackenzie Emerging Markets Local Currency Bond Index ETF *	100.00%	

*The issuer of this security is a related company to the issuer of the Fund.

Risk-Managed Growth Portfolio Fund 1.23IL

Schedule of Investment Portfolio

(in Canadian \$ thousands)

As at December 31, 2023

	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units (continued)		
Global Dividend Fund (SAM) SF528	1,322	1,504
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
CRH PLC	4.21%	
DCC PLC	3.99%	
Sanofi SA	3.79%	
Novartis AG	3.75%	
Allianz SE	3.57%	
Global Founders Fund 1.00BG	3,035	3,533
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Amgen Inc.	3.59%	
Qualcomm Inc.	3.33%	
NetApp Inc.	3.29%	
American Express Co.	3.21%	
Amdocs Ltd.	2.85%	
Global Low Vol Fund (ILIM) SF561	2,369	2,499
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Vanguard S&P 500 ETF	3.63%	
Vanguard FTSE Developed Markets ETF	2.46%	
Apple Inc.	2.41%	
Microsoft Corp.	2.11%	
Regions Financial Corp.	1.41%	
Global Multi-Sector Bond Fund 1.06TRP	2,023	2,021
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Republic of Malaysia 4.498% 04-15-2030	4.19%	
T. Rowe Price SICAV Diversified Income Bond Class S	3.22%	
T. Rowe Price SICAV Global High Yield Bond SD	3.07%	
United States Treasury 4.625% 09-15-2026	2.78%	
Government of Japan 1.30% 03-20-2063	1.59%	
Pathways Canadian Equity Fund (GWLIM) SF543	3,837	4,297
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Royal Bank of Canada	7.64%	
The Toronto-Dominion Bank	6.60%	
Bank of Montreal	4.89%	
Canadian Natural Resources Ltd.	4.03%	
Canadian Pacific Kansas City Ltd.	3.70%	

Risk-Managed Growth Portfolio Fund 1.23IL

Schedule of Investment Portfolio

(in Canadian \$ thousands)

As at December 31, 2023

	Average Cost	Fair Value
Investment Fund Units (continued)		
Pathways Global Multi Sector Bond Fund (Brandywine) SF542	4,053	4,047
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
United States Treasury Floating Rate 01-31-2025	21.14%	
Cash and short-term deposits	6.08%	
United Kingdom Gilt 3.75% 10-22-2053	5.77%	
United Mexican States 8.00% 07-31-2053	4.47%	
Republic of Columbia 7.00% 03-26-2031	3.79%	
Pathways Global Tactical Fund (ILIM) SF551	2,231	2,497
<i>Top Holdings:</i>	<i>% of Total</i>	
Vanguard S&P 500 ETF	71.98%	
Vanguard FTSE Developed Markets ETF	27.66%	
Cash and short-term deposits	0.36%	
Risk Reduction Pool Fund 1.42IL	10,274	11,431
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
SPDR S&P 500 ETF Trust	88.06%	
Cash and short-term deposits	11.23%	
PUT SPX 12-20-2024	0.49%	
PUT SPX 06-21-2024	0.12%	
PUT SPX 03-15-2024	0.10%	
U.S. Equity Large Cap Index ETF Fund 1.97MI	1,905	2,293
<i>Top Holdings:</i>	<i>% of Total</i>	
Vanguard S&P 500 ETF	100.00%	
U.S. Growth Leaders Fund S-286MF	2,446	2,977
<i>Top 5 Holdings:</i>	<i>% of Total</i>	
Microsoft Corp.	9.97%	
Apple Inc.	9.58%	
Amazon.com Inc.	6.75%	
NVIDIA Corp.	5.29%	
Alphabet Inc. Class C	4.67%	

Risk-Managed Growth Portfolio Fund 1.23IL

Schedule of Investment Portfolio

(in Canadian \$ thousands)

As at December 31, 2023

	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units (continued)		
U.S. High Yield Bond Index ETF Fund 2.20MI	954	1,022
<u>Top Holdings:</u>	<u>% of Total</u>	
Mackenzie US High Yield Bond Hedged to CAD Index ETF *	100.00%	
Total Investments	45,976	50,199

*The issuer of this security is a related company to the issuer of the Fund.

Risk-Managed Growth Portfolio Fund 1.23IL

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Net Assets Attributable to Contractholders by Category ⁽¹⁾

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
75/75 guarantee policy	506,327	512,211	356,122	56,195	—	5,627	5,165	3,995	580	—
75/100 guarantee policy	892,958	760,943	514,647	45,130	—	9,837	7,628	5,755	466	—
PS1 75/75 guarantee policy	587,640	434,495	275,185	46,534	—	6,570	4,400	3,093	481	—
PS1 75/100 guarantee policy	546,456	370,756	176,485	66,748	—	6,089	3,745	1,981	689	—
PS2 75/75 guarantee policy	1,461,565	1,781,305	1,572,822	188,564	—	17,661	19,018	18,185	1,955	—
PS2 75/100 guarantee policy	43,081	107,086	66,181	6,220	—	521	1,143	765	65	—
PS 75/75 guarantee policy	63,764	68,274	48,488	—	—	734	705	551	—	—
PS 75/100 guarantee policy	48,673	51,181	46,082	—	—	555	525	522	—	—
PPS 75/75 guarantee policy	178,326	220,324	93,817	13,692	—	2,064	2,285	1,068	142	—
PPS 75/100 guarantee policy	46,930	51,798	43,094	—	—	541	536	490	—	—

Net Assets Attributable to Contractholders Per Unit ⁽¹⁾ (note 7)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
75/75 guarantee policy	11.11	10.08	11.22	10.33	—	1.03	(1.14)
75/100 guarantee policy	11.02	10.02	11.18	10.32	—	1.00	(1.16)
PS1 75/75 guarantee policy	11.18	10.13	11.24	10.33	—	1.05	(1.11)
PS1 75/100 guarantee policy	11.14	10.10	11.23	10.33	—	1.04	(1.13)
PS2 75/75 guarantee policy	12.08	10.68	11.56	10.37	—	1.40	(0.88)
PS2 75/100 guarantee policy	12.08	10.68	11.56	10.37	—	1.40	(0.88)
PS 75/75 guarantee policy	11.51	10.33	11.36	—	—	1.18	(1.03)
PS 75/100 guarantee policy	11.41	10.26	11.32	—	—	1.15	(1.06)
PPS 75/75 guarantee policy	11.58	10.37	11.38	10.35	—	1.21	(1.01)
PPS 75/100 guarantee policy	11.54	10.34	11.37	—	—	1.20	(1.03)

⁽¹⁾ The Fund commenced on November 4, 2020 and as a result does not have comparative figures for the prior year.

Risk-Managed Growth Portfolio Fund 1.23IL

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Risk-Managed Growth Portfolio Fund 1.23IL (the Fund) is offered by The Canada Life Assurance Company (Canada Life or the Company).

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

Risk-Managed Growth Portfolio Fund 1.23IL

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

Risk-Managed Growth Portfolio Fund 1.23IL

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in note 9 on Financial Instrument Risk Management.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

Risk-Managed Growth Portfolio Fund 1.23IL

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Investment Fund Units

Investment fund units are recorded at fair value, which is the closing net asset value (NAV) per unit of the underlying fund.

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Risk-Managed Growth Portfolio Fund 1.23IL

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

Risk-Managed Growth Portfolio Fund 1.23IL

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

k) Income Allocation

Net gain (loss) on investments, which includes realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the NAV per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

3. INVESTMENT FUND UNITS

Investment fund units of the Fund invest solely in units of other segregated investment funds of Canada Life. Units are valued based on the closing unit values of the underlying funds.

Investment activity of the underlying fund indirectly exposes the Fund to financial risk. See note 9 on Financial Instrument Risk Management.

Risk-Managed Growth Portfolio Fund 1.23IL

Notes to the Financial Statements

(in Canadian \$ thousands)

4. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

The categories of units are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

Risk-Managed Growth Portfolio Fund 1.23IL

Notes to the Financial Statements

(in Canadian \$ thousands)

5. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

6. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

7. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

Risk-Managed Growth Portfolio Fund 1.23IL

Notes to the Financial Statements

(in Canadian \$ thousands)

8. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.
- c) The Fund invests in assets or underlying funds managed by Irish Life Investment Managers Limited. All investment transactions with the corresponding underlying funds are at quoted market prices.

Risk-Managed Growth Portfolio Fund 1.23IL

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT

a) Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023. The following sections describe the significant risks that are relevant to the Fund.

The Fund employs a passive investment strategy whereby investments in underlying funds are based on target asset weightings. The target weightings allocated to each underlying fund and the selection of underlying funds are based on several factors, including impact to the Fund's volatility and asset class diversification. Significant changes to the selection of underlying funds or the target asset weightings attributed to each underlying fund require contractholder notification. To assist with managing risk, the Fund Manager also maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and other regulations. Financial statements for the underlying funds, which include discussions about their respective risk exposure, are available upon request.

b) Liquidity Risk

Liquidity risk arises when a Fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units. As the Fund primarily invests all of its net assets in the underlying funds, liquidity risk is mitigated by the underlying funds' ability to meet the obligation to fund daily cash redemptions of their redeemable units/shares. In addition, the underlying funds retain sufficient cash and cash equivalent positions to maintain adequate liquidity.

c) Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The Fund's investments in all underlying funds are denominated in Canadian dollars. However, the Fund is indirectly exposed to currency risk to the extent that the investments of the underlying funds are denominated or traded in a foreign currency.

d) Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund does not directly hold any interest-bearing financial instruments. The Fund is indirectly exposed to the risk that the value of interest-bearing financial instruments held by the underlying funds will fluctuate due to changes in the prevailing levels of market interest rates.

e) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund has no direct exposure to credit risk. The greatest indirect concentration of credit risk is in debt securities, such as bonds, held by underlying funds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer. The carrying amount of debt investments represents the maximum credit risk exposure as at December 31, 2023.

f) Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. For the instruments held by the Fund, maximum risk of loss is equivalent to their fair value. The Fund Manager moderates this risk through a careful selection of underlying funds within the parameters of the investment strategy.

Risk-Managed Growth Portfolio Fund 1.23IL

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT (continued)

g) Fair Value Classification

Investment Fund Units are recorded at fair value, which is the closing NAV per unit of the underlying fund. This valuation is considered to be a Level 2 classification.

Risk-Managed Growth Portfolio Fund 1.23IL

Supplemental Information (unaudited)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾⁽⁴⁾

For the years ended December 31	2023	2022	2021	2020	2019
75/75 guarantee policy	2.66	2.68	2.66	2.63	—
75/100 guarantee policy	2.94	2.95	2.94	2.90	—
PS1 75/75 guarantee policy	2.47	2.47	2.48	2.42	—
PS1 75/100 guarantee policy	2.58	2.60	2.57	2.53	—
PS 75/75 guarantee policy	1.56	1.57	1.55	—	—
PS 75/100 guarantee policy	1.83	1.85	1.84	—	—
PPS 75/75 guarantee policy	1.36	1.37	1.37	1.32	—
PPS 75/100 guarantee policy	1.47	1.48	1.48	—	—

Unsubsidized Management Expense Ratio (%) ⁽²⁾⁽⁴⁾

For the years ended December 31	2023	2022	2021	2020	2019
PS1 75/75 guarantee policy	2.47	2.49	2.48	2.45	—
PS1 75/100 guarantee policy	2.58	2.62	2.57	2.56	—
PPS 75/75 guarantee policy	1.36	1.39	1.37	1.35	—

Portfolio Turnover Rate (%) ⁽³⁾⁽⁴⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	33.52	37.10	6.81	0.60	—

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The Company has waived a portion of the fees for the Preferred Series 1 and Preferred Partner Series guarantee policies. There is no obligation for the Company to continue waiving these fees and it may cease to do so at any time without notice.

(3) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

(4) The Fund commenced on November 4, 2020 and as a result does not have comparative figures for the prior year.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
INDEX ETF CONSERVATIVE PORTFOLIO FUND 1.99PSG

December 31, 2023

Independent Auditor's Report

To the Contractholders of Index ETF Conservative Portfolio Fund 1.99PSG (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the year ended December 31, 2023 and the period ended December 31, 2022, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the year ended December 31, 2023 and the period ended December 31, 2022 in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

Index ETF Conservative Portfolio Fund 1.99PSG

(in Canadian \$ thousands)

Fund Manager: Portfolio Solutions Group, a division of Canada Life Investment Management Ltd.

Statement of Financial Position

	December 31 2023	December 31 2022
		(note 10)
Assets		
Cash and short-term deposits	\$ —	\$ —
Investment income due and accrued	—	—
Due from The Canada Life Assurance Company (note 8)	—	—
Due from brokers	—	—
Due from outside parties	—	—
Investments		
Investment fund units (note 3)	5,501	795
Total investments	5,501	795
Total assets	\$ 5,501	\$ 795
Liabilities		
Overdrafts	\$ —	\$ —
Due to The Canada Life Assurance Company (note 8)	—	—
Due to brokers	—	—
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	—	—
Net assets attributable to contractholders	\$ 5,501	\$ 795

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
		(note 10)
Income		
Net gain (loss) on investments	\$ 308	\$ (11)
Miscellaneous income (loss)	—	—
Total income (loss)	308	(11)
Expenses		
Management fees (note 8)	63	1
Other	7	—
Total expenses	70	1
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 238	\$ (12)

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
		(note 10)
Net assets attributable to contractholders - beginning of year		
	\$ 795	\$ —
Contractholder deposits	5,308	807
Contractholder withdrawals	(840)	—
Increase (decrease) in net assets from operations attributable to contractholders	238	(12)
Change in net assets attributable to contractholders	4,706	795
Net assets attributable to contractholders - end of year	\$ 5,501	\$ 795

Index ETF Conservative Portfolio Fund 1.99PSG

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
		(note 10)
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 238	\$ (12)
Adjustments		
Realized (gains) losses	(8)	—
Unrealized (gains) losses	(300)	11
Gross proceeds of disposition of investments	959	1
Gross payments for the purchase of investments	(5,357)	(807)
	<u>(4,468)</u>	<u>(807)</u>
Financing Activities		
Contractholder deposits	5,308	807
Contractholder withdrawals	(840)	—
	<u>4,468</u>	<u>807</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	—	—
Cash, short-term deposits and overdrafts, beginning of year	—	—
Cash, short-term deposits and overdrafts, end of year	<u>\$ —</u>	<u>\$ —</u>

Index ETF Conservative Portfolio Fund 1.99PSG

Schedule of Investment Portfolio

(in Canadian \$ thousands)

As at December 31, 2023

	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units		
Canadian Aggregate Bond ETF Fund 1.44GLC	1,841	1,922
<i>Top Holdings:</i>	<i>% of Total</i>	
Mackenzie Canadian Aggregate Bond Index ETF *	100.00%	
Canadian Equity Index ETF Fund 1.96MI	468	498
<i>Top Holdings:</i>	<i>% of Total</i>	
Mackenzie Canadian Equity Index ETF *	100.00%	
Developed ex-North American Aggregate Bond Index ETF Fund 2.03MI	366	385
<i>Top Holdings:</i>	<i>% of Total</i>	
Mackenzie Developed Ex-North America Aggregate Bond Hedged to CAD Index ETF *	100.00%	
Emerging Markets Bond Index ETF Fund 2.04MI	90	96
<i>Top Holdings:</i>	<i>% of Total</i>	
Mackenzie Emerging Markets Bond Index ETF *	100.00%	
Emerging Markets Equity Index ETF Fund 2.05MI	80	83
<i>Top Holdings:</i>	<i>% of Total</i>	
Mackenzie Emerging Markets Equity Hedged to CAD Index ETF *	100.00%	

*The issuer of this security is a related company to the issuer of the Fund.

Index ETF Conservative Portfolio Fund 1.99PSG

Schedule of Investment Portfolio

(in Canadian \$ thousands)

As at December 31, 2023

	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units (continued)		
International Equity Index ETF Fund 1.82MI	387	414
<i>Top Holdings:</i>	<i>% of Total</i>	
Mackenzie International Equity Index ETF *	100.00%	
U.S. Aggregate Bond Index ETF Fund 2.02MI	1,397	1,444
<i>Top Holdings:</i>	<i>% of Total</i>	
Mackenzie US Aggregate Bond Hedged to CAD Index ETF *	100.00%	
US Large Cap Equity Index ETF Fund 1.84MI	577	659
<i>Top Holdings:</i>	<i>% of Total</i>	
Mackenzie US Large Cap Index ETF *	100.00%	
Total Investments	5,206	5,501

*The issuer of this security is a related company to the issuer of the Fund.

Index ETF Conservative Portfolio Fund 1.99PSG

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance. Seed money units, as described in note 8 c), are allocated to each category and are included on this page.

Net Assets Attributable to Contractholders by Category (note 10)

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
75/75 guarantee policy	85,093	19,294	—	—	—	942	199	—	—	—
75/100 guarantee policy	131,766	7,691	—	—	—	1,454	80	—	—	—
100/100 guarantee policy	1,933	—	—	—	—	21	—	—	—	—
PS1 75/75 guarantee policy	61,979	—	—	—	—	688	—	—	—	—
PS1 75/100 guarantee policy	189,568	50,016	—	—	—	2,101	516	—	—	—
PS 75/75 guarantee policy	1,854	—	—	—	—	21	—	—	—	—
PS 75/100 guarantee policy	6,389	—	—	—	—	71	—	—	—	—
PPS 75/100 guarantee policy	18,110	—	—	—	—	203	—	—	—	—

Net Assets Attributable to Contractholders Per Unit (notes 7, 10)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
75/75 guarantee policy	11.07	10.32	—	—	—	0.75	0.32
75/100 guarantee policy	11.03	10.31	—	—	—	0.72	0.31
100/100 guarantee policy	11.00	—	—	—	—	0.69	—
PS1 75/75 guarantee policy	11.10	—	—	—	—	0.78	—
PS1 75/100 guarantee policy	11.09	10.32	—	—	—	0.77	0.32
PS 75/75 guarantee policy	11.18	—	—	—	—	0.84	—
PS 75/100 guarantee policy	11.14	—	—	—	—	0.81	—
PPS 75/100 guarantee policy	11.20	—	—	—	—	0.86	—

Index ETF Conservative Portfolio Fund 1.99PSG

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Index ETF Conservative Portfolio Fund 1.99PSG (the Fund) is offered by The Canada Life Assurance Company (Canada Life or the Company).

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

Index ETF Conservative Portfolio Fund 1.99PSG

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

Index ETF Conservative Portfolio Fund 1.99PSG

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in note 9 on Financial Instrument Risk Management.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

Index ETF Conservative Portfolio Fund 1.99PSG

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Investment Fund Units

Investment fund units are recorded at fair value, which is the closing net asset value (NAV) per unit of the underlying fund.

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Index ETF Conservative Portfolio Fund 1.99PSG

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

Index ETF Conservative Portfolio Fund 1.99PSG

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

k) Income Allocation

Net gain (loss) on investments, which includes realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the NAV per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

3. INVESTMENT FUND UNITS

Investment fund units of the Fund invest solely in units of other segregated investment funds of Canada Life. Units are valued based on the closing unit values of the underlying funds.

Investment activity of the underlying fund indirectly exposes the Fund to financial risk. See note 9 on Financial Instrument Risk Management.

Index ETF Conservative Portfolio Fund 1.99PSG

Notes to the Financial Statements

(in Canadian \$ thousands)

4. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

The categories of units are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

Index ETF Conservative Portfolio Fund 1.99PSG

Notes to the Financial Statements

(in Canadian \$ thousands)

5. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

6. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

7. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

Index ETF Conservative Portfolio Fund 1.99PSG

Notes to the Financial Statements

(in Canadian \$ thousands)

8. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.
- c) The Company deposited seed money in the Fund at the time of its introduction. The fair value of all remaining seed money, which is included in option S1R category, at December 31, 2023 is nil.
- d) The Fund invests in assets or underlying funds managed by Canada Life Investment Management Ltd. All investment transactions with the corresponding underlying funds are at quoted market prices.

Index ETF Conservative Portfolio Fund 1.99PSG

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT

a) Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023. The following sections describe the significant risks that are relevant to the Fund.

The Fund employs a passive investment strategy whereby investments in underlying funds are based on target asset weightings. The target weightings allocated to each underlying fund and the selection of underlying funds are based on several factors, including impact to the Fund's volatility and asset class diversification. Significant changes to the selection of underlying funds or the target asset weightings attributed to each underlying fund require contractholder notification. To assist with managing risk, the Fund Manager also maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and other regulations. Financial statements for the underlying funds, which include discussions about their respective risk exposure, are available upon request.

b) Liquidity Risk

Liquidity risk arises when a Fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units. As the Fund primarily invests all of its net assets in the underlying funds, liquidity risk is mitigated by the underlying funds' ability to meet the obligation to fund daily cash redemptions of their redeemable units/shares. In addition, the underlying funds retain sufficient cash and cash equivalent positions to maintain adequate liquidity.

c) Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The Fund's investments in all underlying funds are denominated in Canadian dollars. However, the Fund is indirectly exposed to currency risk to the extent that the investments of the underlying funds are denominated or traded in a foreign currency.

d) Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund does not directly hold any interest-bearing financial instruments. The Fund is indirectly exposed to the risk that the value of interest-bearing financial instruments held by the underlying funds will fluctuate due to changes in the prevailing levels of market interest rates.

e) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund has no direct exposure to credit risk. The greatest indirect concentration of credit risk is in debt securities, such as bonds, held by underlying funds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer. The carrying amount of debt investments represents the maximum credit risk exposure as at December 31, 2023.

f) Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. For the instruments held by the Fund, maximum risk of loss is equivalent to their fair value. The Fund Manager moderates this risk through a careful selection of underlying funds within the parameters of the investment strategy.

Index ETF Conservative Portfolio Fund 1.99PSG

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT (continued)

g) Fair Value Classification

Investment Fund Units are recorded at fair value, which is the closing NAV per unit of the underlying fund. This valuation is considered to be a Level 2 classification.

10. COMPARATIVE FINANCIAL STATEMENTS

The Company introduced the Fund during 2022. Accordingly, the comparative financial statements reflect activity for the period:

October 24, 2022 to December 31, 2022

Index ETF Conservative Portfolio Fund 1.99PSG

Supplemental Information *(unaudited)*

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾⁽³⁾

For the years ended December 31	2023	2022	2021	2020	2019
75/75 guarantee policy	1.94	1.95	—	—	—
75/100 guarantee policy	2.22	2.22	—	—	—
PS1 75/75 guarantee policy	1.71	—	—	—	—
PS1 75/100 guarantee policy	1.82	1.82	—	—	—
PPS 75/100 guarantee policy	0.99	—	—	—	—

Portfolio Turnover Rate (%) ⁽²⁾⁽³⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	26.44	0.27	—	—	—

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

(3) The Fund commenced on October 24, 2022 and as a result does not have comparative figures for the prior years.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
INDEX ETF BALANCED PORTFOLIO FUND 2.00PSG

December 31, 2023

Independent Auditor's Report

To the Contractholders of Index ETF Balanced Portfolio Fund 2.00PSG (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the year ended December 31, 2023 and the period ended December 31, 2022, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the year ended December 31, 2023 and the period ended December 31, 2022 in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

Index ETF Balanced Portfolio Fund 2.00PSG

(in Canadian \$ thousands)

Fund Manager: Portfolio Solutions Group, a division of Canada Life Investment Management Ltd.

Statement of Financial Position

	December 31 2023	December 31 2022
		(note 10)
Assets		
Cash and short-term deposits	\$ —	\$ —
Investment income due and accrued	—	—
Due from The Canada Life Assurance Company (note 8)	—	—
Due from brokers	—	—
Due from outside parties	—	—
Investments		
Investment fund units (note 3)	12,029	696
Total investments	12,029	696
Total assets	\$ 12,029	\$ 696
Liabilities		
Overdrafts	\$ —	\$ —
Due to The Canada Life Assurance Company (note 8)	—	—
Due to brokers	—	—
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	—	—
Net assets attributable to contractholders	\$ 12,029	\$ 696

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
		(note 10)
Income		
Net gain (loss) on investments	\$ 740	\$ 5
Miscellaneous income (loss)	—	—
Total income (loss)	740	5
Expenses		
Management fees (note 8)	107	2
Other	11	—
Total expenses	118	2
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 622	\$ 3

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
		(note 10)
Net assets attributable to contractholders - beginning of year		
	\$ 696	\$ —
Contractholder deposits	12,005	826
Contractholder withdrawals	(1,294)	(133)
Increase (decrease) in net assets from operations attributable to contractholders	622	3
Change in net assets attributable to contractholders	11,333	696
Net assets attributable to contractholders - end of year	\$ 12,029	\$ 696

Index ETF Balanced Portfolio Fund 2.00PSG

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
		(note 10)
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 622	\$ 3
Adjustments		
Realized (gains) losses	(17)	(1)
Unrealized (gains) losses	(723)	(4)
Gross proceeds of disposition of investments	1,006	131
Gross payments for the purchase of investments	(11,599)	(822)
	<u>(10,711)</u>	<u>(693)</u>
Financing Activities		
Contractholder deposits	12,005	826
Contractholder withdrawals	(1,294)	(133)
	<u>10,711</u>	<u>693</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	—	—
Cash, short-term deposits and overdrafts, beginning of year	<u>—</u>	<u>—</u>
Cash, short-term deposits and overdrafts, end of year	<u>\$ —</u>	<u>\$ —</u>

Index ETF Balanced Portfolio Fund 2.00PSG

Schedule of Investment Portfolio

(in Canadian \$ thousands)

As at December 31, 2023

	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units		
Canadian Aggregate Bond ETF Fund 1.44GLC	2,276	2,407
<i>Top Holdings:</i>	<i>% of Total</i>	
Mackenzie Canadian Aggregate Bond Index ETF *	100.00%	
Canadian Equity Index ETF Fund 1.96MI	2,010	2,165
<i>Top Holdings:</i>	<i>% of Total</i>	
Mackenzie Canadian Equity Index ETF *	100.00%	
Developed ex-North American Aggregate Bond Index ETF Fund 2.03MI	452	481
<i>Top Holdings:</i>	<i>% of Total</i>	
Mackenzie Developed Ex-North America Aggregate Bond Hedged to CAD Index ETF *	100.00%	
Emerging Markets Bond Index ETF Fund 2.04MI	112	120
<i>Top Holdings:</i>	<i>% of Total</i>	
Mackenzie Emerging Markets Bond Index ETF *	100.00%	
Emerging Markets Equity Index ETF Fund 2.05MI	350	361
<i>Top Holdings:</i>	<i>% of Total</i>	
Mackenzie Emerging Markets Equity Hedged to CAD Index ETF *	100.00%	

*The issuer of this security is a related company to the issuer of the Fund.

Index ETF Balanced Portfolio Fund 2.00PSG

Schedule of Investment Portfolio

(in Canadian \$ thousands)

As at December 31, 2023

	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units (continued)		
International Equity Index ETF Fund 1.82MI	1,680	1,804
<i>Top Holdings:</i>	<i>% of Total</i>	
Mackenzie International Equity Index ETF *	100.00%	
U.S. Aggregate Bond Index ETF Fund 2.02MI	1,716	1,804
<i>Top Holdings:</i>	<i>% of Total</i>	
Mackenzie International Equity Index ETF *	100.00%	
US Large Cap Equity Index ETF Fund 1.84MI	2,582	2,887
<i>Top Holdings:</i>	<i>% of Total</i>	
Mackenzie US Large Cap Index ETF *	100.00%	
Total Investments	11,178	12,029

*The issuer of this security is a related company to the issuer of the Fund.

Index ETF Balanced Portfolio Fund 2.00PSG

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance. Seed money units, as described in note 8 c), are allocated to each category and are included on this page.

Net Assets Attributable to Contractholders by Category (note 10)

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
75/75 guarantee policy	309,601	33,968	—	—	—	3,534	352	—	—	—
75/100 guarantee policy	220,334	32,287	—	—	—	2,507	334	—	—	—
100/100 guarantee policy	10,834	—	—	—	—	123	—	—	—	—
PS1 75/75 guarantee policy	269,627	917	—	—	—	3,084	10	—	—	—
PS1 75/100 guarantee policy	125,628	—	—	—	—	1,435	—	—	—	—
PS1 100/100 guarantee policy	15,418	—	—	—	—	176	—	—	—	—
PS2 75/75 guarantee policy	64,906	—	—	—	—	761	—	—	—	—
PS2 75/100 guarantee policy	9,425	—	—	—	—	110	—	—	—	—
PS 75/75 guarantee policy	24,980	—	—	—	—	289	—	—	—	—
PPS 75/100 guarantee policy	829	—	—	—	—	10	—	—	—	—

Net Assets Attributable to Contractholders Per Unit (notes 7, 10)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
75/75 guarantee policy	11.41	10.36	—	—	—	1.05	0.36
75/100 guarantee policy	11.38	10.35	—	—	—	1.03	0.35
100/100 guarantee policy	11.34	—	—	—	—	0.99	—
PS1 75/75 guarantee policy	11.44	10.36	—	—	—	1.08	0.36
PS1 75/100 guarantee policy	11.42	—	—	—	—	1.06	—
PS1 100/100 guarantee policy	11.40	—	—	—	—	1.04	—
PS2 75/75 guarantee policy	11.73	—	—	—	—	1.33	—
PS2 75/100 guarantee policy	11.73	—	—	—	—	1.33	—
PS 75/75 guarantee policy	11.56	—	—	—	—	1.18	—
PPS 75/100 guarantee policy	11.57	—	—	—	—	1.19	—

Index ETF Balanced Portfolio Fund 2.00PSG

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Index ETF Balanced Portfolio Fund 2.00PSG (the Fund) is offered by The Canada Life Assurance Company (Canada Life or the Company).

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

Index ETF Balanced Portfolio Fund 2.00PSG

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

Index ETF Balanced Portfolio Fund 2.00PSG

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in note 9 on Financial Instrument Risk Management.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

Index ETF Balanced Portfolio Fund 2.00PSG

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Investment Fund Units

Investment fund units are recorded at fair value, which is the closing net asset value (NAV) per unit of the underlying fund.

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Index ETF Balanced Portfolio Fund 2.00PSG

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

Index ETF Balanced Portfolio Fund 2.00PSG

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

k) Income Allocation

Net gain (loss) on investments, which includes realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the NAV per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

3. INVESTMENT FUND UNITS

Investment fund units of the Fund invest solely in units of other segregated investment funds of Canada Life. Units are valued based on the closing unit values of the underlying funds.

Investment activity of the underlying fund indirectly exposes the Fund to financial risk. See note 9 on Financial Instrument Risk Management.

Index ETF Balanced Portfolio Fund 2.00PSG

Notes to the Financial Statements

(in Canadian \$ thousands)

4. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

The categories of units are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

Index ETF Balanced Portfolio Fund 2.00PSG

Notes to the Financial Statements

(in Canadian \$ thousands)

5. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

6. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

7. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

Index ETF Balanced Portfolio Fund 2.00PSG

Notes to the Financial Statements

(in Canadian \$ thousands)

8. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.
- c) The Company deposited seed money in the Fund at the time of its introduction. The fair value of all remaining seed money, which is included in option S1R category, at December 31, 2023 is nil.
- d) The Fund invests in assets or underlying funds managed by Canada Life Investment Management Ltd. All investment transactions with the corresponding underlying funds are at quoted market prices.

Index ETF Balanced Portfolio Fund 2.00PSG

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT

a) Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023. The following sections describe the significant risks that are relevant to the Fund.

The Fund employs a passive investment strategy whereby investments in underlying funds are based on target asset weightings. The target weightings allocated to each underlying fund and the selection of underlying funds are based on several factors, including impact to the Fund's volatility and asset class diversification. Significant changes to the selection of underlying funds or the target asset weightings attributed to each underlying fund require contractholder notification. To assist with managing risk, the Fund Manager also maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and other regulations. Financial statements for the underlying funds, which include discussions about their respective risk exposure, are available upon request.

b) Liquidity Risk

Liquidity risk arises when a Fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units. As the Fund primarily invests all of its net assets in the underlying funds, liquidity risk is mitigated by the underlying funds' ability to meet the obligation to fund daily cash redemptions of their redeemable units/shares. In addition, the underlying funds retain sufficient cash and cash equivalent positions to maintain adequate liquidity.

c) Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The Fund's investments in all underlying funds are denominated in Canadian dollars. However, the Fund is indirectly exposed to currency risk to the extent that the investments of the underlying funds are denominated or traded in a foreign currency.

d) Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund does not directly hold any interest-bearing financial instruments. The Fund is indirectly exposed to the risk that the value of interest-bearing financial instruments held by the underlying funds will fluctuate due to changes in the prevailing levels of market interest rates.

e) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund has no direct exposure to credit risk. The greatest indirect concentration of credit risk is in debt securities, such as bonds, held by underlying funds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer. The carrying amount of debt investments represents the maximum credit risk exposure as at December 31, 2023.

f) Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. For the instruments held by the Fund, maximum risk of loss is equivalent to their fair value. The Fund Manager moderates this risk through a careful selection of underlying funds within the parameters of the investment strategy.

Index ETF Balanced Portfolio Fund 2.00PSG

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT (continued)

g) Fair Value Classification

Investment Fund Units are recorded at fair value, which is the closing NAV per unit of the underlying fund. This valuation is considered to be a Level 2 classification.

10. COMPARATIVE FINANCIAL STATEMENTS

The Company introduced the Fund during 2022. Accordingly, the comparative financial statements reflect activity for the period:

October 24, 2022 to December 31, 2022

Index ETF Balanced Portfolio Fund 2.00PSG

Supplemental Information (unaudited)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾⁽³⁾

For the years ended December 31	2023	2022	2021	2020	2019
75/75 guarantee policy	2.33	2.33	—	—	—
75/100 guarantee policy	2.61	2.61	—	—	—
100/100 guarantee policy	2.88	—	—	—	—
PS1 75/75 guarantee policy	2.15	2.15	—	—	—
PS1 75/100 guarantee policy	2.26	—	—	—	—
PS1 100/100 guarantee policy	2.42	—	—	—	—
PS 75/75 guarantee policy	1.23	—	—	—	—
PPS 75/100 guarantee policy	1.15	—	—	—	—

Portfolio Turnover Rate (%) ⁽²⁾⁽³⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	16.99	27.51	—	—	—

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

(3) The Fund commenced on October 24, 2022 and as a result does not have comparative figures for the prior years.

Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY
INDEX ETF GROWTH PORTFOLIO FUND 2.01PSG

December 31, 2023

Independent Auditor's Report

To the Contractholders of Index ETF Growth Portfolio Fund 2.01PSG (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the year ended December 31, 2023 and the period ended December 31, 2022, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the year ended December 31, 2023 and the period ended December 31, 2022 in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

Index ETF Growth Portfolio Fund 2.01PSG

(in Canadian \$ thousands)

Fund Manager: Portfolio Solutions Group, a division of Canada Life Investment Management Ltd.

Statement of Financial Position

	December 31 2023	December 31 2022
		(note 10)
Assets		
Cash and short-term deposits	\$ —	\$ —
Investment income due and accrued	—	—
Due from The Canada Life Assurance Company (note 8)	—	—
Due from brokers	—	—
Due from outside parties	—	—
Investments		
Investment fund units (note 3)	4,607	229
Total investments	4,607	229
Total assets	\$ 4,607	\$ 229
Liabilities		
Overdrafts	\$ —	\$ —
Due to The Canada Life Assurance Company (note 8)	—	—
Due to brokers	—	—
Due to outside parties	—	—
Total liabilities excluding net assets attributable to contractholders	—	—
Net assets attributable to contractholders	\$ 4,607	\$ 229

Statement of Comprehensive Income

For the years ended	December 31 2023	December 31 2022
		(note 10)
Income		
Net gain (loss) on investments	\$ 324	\$ 7
Miscellaneous income (loss)	—	—
Total income (loss)	324	7
Expenses		
Management fees (note 8)	34	1
Other	3	—
Total expenses	37	1
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 287	\$ 6

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended	December 31 2023	December 31 2022
		(note 10)
Net assets attributable to contractholders - beginning of year		
	\$ 229	\$ —
Contractholder deposits	4,323	223
Contractholder withdrawals	(232)	—
Increase (decrease) in net assets from operations attributable to contractholders	287	6
Change in net assets attributable to contractholders	4,378	229
Net assets attributable to contractholders - end of year	\$ 4,607	\$ 229

Index ETF Growth Portfolio Fund 2.01PSG

(in Canadian \$ thousands)

Statement of Cash Flows

For the years ended December 31

	<u>2023</u>	<u>2022</u>
		(note 10)
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	\$ 287	\$ 6
Adjustments		
Realized (gains) losses	(4)	—
Unrealized (gains) losses	(320)	(7)
Gross proceeds of disposition of investments	174	—
Gross payments for the purchase of investments	(4,228)	(222)
	<u>(4,091)</u>	<u>(223)</u>
Financing Activities		
Contractholder deposits	4,323	223
Contractholder withdrawals	(232)	—
	<u>4,091</u>	<u>223</u>
Net increase (decrease) in cash, short-term deposits and overdrafts	—	—
Cash, short-term deposits and overdrafts, beginning of year	—	—
Cash, short-term deposits and overdrafts, end of year	<u>\$ —</u>	<u>\$ —</u>

Index ETF Growth Portfolio Fund 2.01PSG

Schedule of Investment Portfolio

(in Canadian \$ thousands)

As at December 31, 2023

	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units		
Canadian Aggregate Bond ETF Fund 1.44GLC	435	461
<i>Top Holdings:</i>	<i>% of Total</i>	
Mackenzie Canadian Aggregate Bond Index ETF *	100.00%	
Canadian Equity Index ETF Fund 1.96MI	1,031	1,109
<i>Top Holdings:</i>	<i>% of Total</i>	
Mackenzie Canadian Equity Index ETF *	100.00%	
Developed ex-North American Aggregate Bond Index ETF Fund 2.03MI	87	92
<i>Top Holdings:</i>	<i>% of Total</i>	
Mackenzie Developed Ex-North America Aggregate Bond Hedged to CAD Index ETF *	100.00%	
Emerging Markets Bond Index ETF Fund 2.04MI	21	23
<i>Top Holdings:</i>	<i>% of Total</i>	
Mackenzie Emerging Markets Bond Index ETF *	100.00%	
Emerging Markets Equity Index ETF Fund 2.05MI	178	185
<i>Top Holdings:</i>	<i>% of Total</i>	
Mackenzie Emerging Markets Equity Hedged to CAD Index ETF *	100.00%	

*The issuer of this security is a related company to the issuer of the Fund.

Index ETF Growth Portfolio Fund 2.01PSG

Schedule of Investment Portfolio

(in Canadian \$ thousands)

As at December 31, 2023

	<u>Average Cost</u>	<u>Fair Value</u>
Investment Fund Units (continued)		
International Equity Index ETF Fund 1.82MI	862	924
<i>Top Holdings:</i>	<i>% of Total</i>	
Mackenzie International Equity Index ETF *	100.00%	
U.S. Aggregate Bond Index ETF Fund 2.02MI	328	346
<i>Top Holdings:</i>	<i>% of Total</i>	
Mackenzie US Aggregate Bond Hedged to CAD Index ETF *	100.00%	
US Large Cap Equity Index ETF Fund 1.84MI	1,336	1,467
<i>Top Holdings:</i>	<i>% of Total</i>	
Mackenzie US Large Cap Index ETF *	100.00%	
Total Investments	4,278	4,607

*The issuer of this security is a related company to the issuer of the Fund.

Index ETF Growth Portfolio Fund 2.01PSG

(in Canadian \$, except number of units outstanding)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance. Seed money units, as described in note 8 c), are allocated to each category and are included on this page.

Net Assets Attributable to Contractholders by Category (note 10)

For the years ended December 31

	Number of units outstanding					Net asset value (in \$ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
75/75 guarantee policy	80,475	15,820	—	—	—	939	164	—	—	—
75/100 guarantee policy	110,488	6,265	—	—	—	1,284	65	—	—	—
100/100 guarantee policy	4,065	—	—	—	—	47	—	—	—	—
PS1 75/75 guarantee policy	26,656	—	—	—	—	312	—	—	—	—
PS1 75/100 guarantee policy	58,613	—	—	—	—	684	—	—	—	—
PS1 100/100 guarantee policy	2,965	—	—	—	—	35	—	—	—	—
PS 75/75 guarantee policy	6,940	—	—	—	—	82	—	—	—	—
PPS 75/75 guarantee policy	103,389	—	—	—	—	1,224	—	—	—	—

Net Assets Attributable to Contractholders Per Unit (notes 7, 10)

For the years ended December 31

	Net asset value per unit (\$)					Increase (decrease) per unit (\$)	
	2023	2022	2021	2020	2019	2023	2022
75/75 guarantee policy	11.66	10.39	—	—	—	1.27	0.39
75/100 guarantee policy	11.63	10.38	—	—	—	1.25	0.38
100/100 guarantee policy	11.58	—	—	—	—	1.20	—
PS1 75/75 guarantee policy	11.69	—	—	—	—	1.30	—
PS1 75/100 guarantee policy	11.67	—	—	—	—	1.28	—
PS1 100/100 guarantee policy	11.64	—	—	—	—	1.26	—
PS 75/75 guarantee policy	11.82	—	—	—	—	1.41	—
PPS 75/75 guarantee policy	11.84	—	—	—	—	1.43	—

Index ETF Growth Portfolio Fund 2.01PSG

Notes to the Financial Statements

(in Canadian \$ thousands)

1. THE FUND

The Index ETF Growth Portfolio Fund 2.01PSG (the Fund) is offered by The Canada Life Assurance Company (Canada Life or the Company).

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

Index ETF Growth Portfolio Fund 2.01PSG

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of financial assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access. Assets and liabilities utilizing Level 1 inputs include equity securities that are actively traded on an exchange, exchange-traded futures and underlying mutual funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, and generally include some private bonds and equities, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds and private investments.

Index ETF Growth Portfolio Fund 2.01PSG

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 financial instruments are reviewed on a periodic basis by the Company. The Company considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Company estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in note 9 on Financial Instrument Risk Management.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

Index ETF Growth Portfolio Fund 2.01PSG

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Investment Fund Units

Investment fund units are recorded at fair value, which is the closing net asset value (NAV) per unit of the underlying fund.

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than three months at acquisition. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Classification of Units Issued by the Fund

The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

f) Recognition of Investments and Income

Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Realized gains (losses) on investments - recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments - calculated as the in-year change in fair value of the investment and determined using the average cost basis.

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Index ETF Growth Portfolio Fund 2.01PSG

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

i) Amounts Due to/from Outside Parties

Amounts due to outside parties are payables to parties other than related parties of the Fund.

Amounts due from outside parties are receivables due from parties other than related parties of the Fund.

Amounts due to/from outside parties are held at fair value which approximates their cost.

j) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

Index ETF Growth Portfolio Fund 2.01PSG

Notes to the Financial Statements

(in Canadian \$ thousands)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

k) Income Allocation

Net gain (loss) on investments, which includes realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the NAV per unit.

l) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

3. INVESTMENT FUND UNITS

Investment fund units of the Fund invest solely in units of other segregated investment funds of Canada Life. Units are valued based on the closing unit values of the underlying funds.

Investment activity of the underlying fund indirectly exposes the Fund to financial risk. See note 9 on Financial Instrument Risk Management.

Index ETF Growth Portfolio Fund 2.01PSG

Notes to the Financial Statements

(in Canadian \$ thousands)

4. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of an Individual Savings Contract or a Retirement Income Fund.

Individual units are available under these different options:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

The categories of units are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

Index ETF Growth Portfolio Fund 2.01PSG

Notes to the Financial Statements

(in Canadian \$ thousands)

5. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

6. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

7. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

Index ETF Growth Portfolio Fund 2.01PSG

Notes to the Financial Statements

(in Canadian \$ thousands)

8. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector, along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC ⁽¹⁾	Wholly-owned subsidiary of Lifeco	United States
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

⁽¹⁾ On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

- a) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.
- b) The amounts shown as "Due from (to) The Canada Life Assurance Company" represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.
- c) The Company deposited seed money in the Fund at the time of its introduction. The fair value of all remaining seed money, which is included in option S1R category, at December 31, 2023 is nil.
- d) The Fund invests in assets or underlying funds managed by Canada Life Investment Management Ltd. All investment transactions with the corresponding underlying funds are at quoted market prices.

Index ETF Growth Portfolio Fund 2.01PSG

Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT

a) Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023. The following sections describe the significant risks that are relevant to the Fund.

The Fund employs a passive investment strategy whereby investments in underlying funds are based on target asset weightings. The target weightings allocated to each underlying fund and the selection of underlying funds are based on several factors, including impact to the Fund's volatility and asset class diversification. Significant changes to the selection of underlying funds or the target asset weightings attributed to each underlying fund require contractholder notification. To assist with managing risk, the Fund Manager also maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and other regulations. Financial statements for the underlying funds, which include discussions about their respective risk exposure, are available upon request.

b) Liquidity Risk

Liquidity risk arises when a Fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units. As the Fund primarily invests all of its net assets in the underlying funds, liquidity risk is mitigated by the underlying funds' ability to meet the obligation to fund daily cash redemptions of their redeemable units/shares. In addition, the underlying funds retain sufficient cash and cash equivalent positions to maintain adequate liquidity.

c) Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The Fund's investments in all underlying funds are denominated in Canadian dollars. However, the Fund is indirectly exposed to currency risk to the extent that the investments of the underlying funds are denominated or traded in a foreign currency.

d) Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund does not directly hold any interest-bearing financial instruments. The Fund is indirectly exposed to the risk that the value of interest-bearing financial instruments held by the underlying funds will fluctuate due to changes in the prevailing levels of market interest rates.

e) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund has no direct exposure to credit risk. The greatest indirect concentration of credit risk is in debt securities, such as bonds, held by underlying funds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer. The carrying amount of debt investments represents the maximum credit risk exposure as at December 31, 2023.

f) Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate, currency or credit risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. For the instruments held by the Fund, maximum risk of loss is equivalent to their fair value. The Fund Manager moderates this risk through a careful selection of underlying funds within the parameters of the investment strategy.

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Notes to the Financial Statements

(in Canadian \$ thousands)

9. FINANCIAL INSTRUMENT RISK MANAGEMENT (continued)

g) Fair Value Classification

Investment Fund Units are recorded at fair value, which is the closing NAV per unit of the underlying fund. This valuation is considered to be a Level 2 classification.

10. COMPARATIVE FINANCIAL STATEMENTS

The Company introduced the Fund during 2022. Accordingly, the comparative financial statements reflect activity for the period:

October 24, 2022 to December 31, 2022

Index ETF Growth Portfolio Fund 2.01PSG

Supplemental Information (unaudited)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) ⁽¹⁾⁽³⁾

For the years ended December 31	2023	2022	2021	2020	2019
75/75 guarantee policy	2.39	2.39	—	—	—
75/100 guarantee policy	2.66	2.67	—	—	—
100/100 guarantee policy	2.99	—	—	—	—
PS1 75/75 guarantee policy	2.20	—	—	—	—
PS1 75/100 guarantee policy	2.31	—	—	—	—
PS1 100/100 guarantee policy	2.59	—	—	—	—
PS 75/75 guarantee policy	1.28	—	—	—	—

Portfolio Turnover Rate (%) ⁽²⁾⁽³⁾

For the years ended December 31	2023	2022	2021	2020	2019
Portfolio Turnover Rate	9.64	0.29	—	—	—

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

(2) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

(3) The Fund commenced on October 24, 2022 and as a result does not have comparative figures for the prior years.